

**DEPARTMENT OF MUNICIPAL AND PROVINCIAL AFFAIRS**  
**GOVERNMENT OF NEWFOUNDLAND AND LABRADOR**  
**COMMUNITY RELOCATION POLICY**  
**September 2021**

The Department may provide information to communities on this policy. However, the Department of Municipal and Provincial Affairs will only consider relocation assistance requests that are driven by residents of the community.

The Minister of Municipal and Provincial Affairs may approve community-driven relocation requests that meet all four of the following criteria:

- A. A request for relocation assistance is made by persons in the Community;
- B. An analysis of the total cost of relocation assistance and the cost to Government to deliver services to the Community over a 20-year period will result in substantial net savings to Government in the order of \$10 million;
- C. A vote on relocation demonstrates that 75 per cent or more of the voting-aged Permanent Residents wish to relocate; and
- D. Seventy-five per cent or more of Permanent Residential Property Owners subsequently sign Government's conditional offers of relocation financial assistance.

The maximum level of financial and other assistance provided for relocation will be limited to that stated in this policy.

If a Community relocation request is approved, no Permanent Resident who wishes to remain in the Community will be required to relocate. No services will be provided to anyone choosing to remain in a relocated Community.

Permanent Residents opting to remain in the Community after all other residents have relocated will retain the option of accepting the supports available under the Community Relocation Policy for one year subsequent to the date that the Minister approves relocation assistance.

**1. DEFINITIONS**

- A. **Commercial Property Owner:** An individual or company that owns property within the Community and operates a commercial enterprise on that property or that owns a rental property in the community. The commercial enterprise must be operating at least 50 per cent of the time for the applicable industry's operating season within the 365 days immediately preceding the relocation request date.
- B. **Community:** Includes municipalities, local service districts, and/or unincorporated areas.
- C. **Non-Resident Residential Property Owner:** An individual who does not fall within the definition of a Permanent Resident, but who owns habitable residential property in the Community requesting relocation. This will normally include persons who maintain seasonal homes in the Community.

- D. **Permanent Resident:** The following rules shall determine residency of a person for the purpose of the Community Relocation Policy:
- (i) A person shall be a resident of the place where he or she lives and sleeps year round, in the 365 days immediately preceding the relocation request date.
  - (ii) Residency is not lost by a person who leaves that residence for temporary purposes only, such as:
    - a. The individual was temporarily absent for a vacation or holiday;
    - b. The individual was temporarily absent for medical reasons substantiated by a doctor's note satisfactory to the Minister;
    - c. The individual was temporarily absent to care for a close relative outside the relocating community;
    - d. The individual or his/her spouse worked outside the Community and regularly returned to the Community between periods of outside employment; or
    - e. The individual was temporarily incarcerated.
  - (iii) A person who has left his or her place of residence in the Community to pursue a course of study is considered to be a permanent resident in the place where he or she was residing immediately before leaving to pursue the course of study, and he or she is considered to continue to have that permanent residence until he or she completes or abandons the course of study.
  - (iv) Where none of the reasons in (ii) or (iii) apply, a person who goes to a place outside the Community for a period of more than six cumulative months, in the one-year period preceding the relocation request date, ceases to be a permanent resident in the community, although he or she may intend to return at some future time, including a person residing in a Long-Term Care Home, Personal Care Home, or Retirement Home.
  - (v) A person shall, for the purpose of the Community Relocation Policy, have only one place of residency.
  - (vi) Proof of residency must be satisfactory to the Department.
  - (vii) Where necessary, residency determinations will consider any potential implications of individuals' rights under section 15 of the **Canadian Charter of Rights and Freedoms** and the **Human Rights Act, 2010**. Any decision made as a result of this consideration will be provided to the individual with clear rationale.
- E. **Relocation Request Date:** The date on which the Department deems it has received the request to consider the Community's eligibility for relocation assistance.
- F. **Rental Property:** Habitable residential property which was rented as of the Relocation Request Date or which, though vacant on that date, had previously been rented and had been vacant for no more than six months immediately prior to that date.
- G. **Permanent Residential Property Owner:** An individual who meets the criteria for a Permanent Resident and who also resides in and owns, either individually or jointly, habitable residential property in the Community requesting relocation.
- H. **Permanent Residential Non-Property Owner:** An individual of voting age who meets the criteria for a Permanent Resident but does not own residential or commercial property in the Community requesting relocation.

## 2. STEPS IN THE EVALUATION OF COMMUNITY RELOCATION REQUESTS

Steps in the evaluation of a community relocation request are:

- A. Communities or a representative of a community must gauge the level of support for relocation by undertaking an Expression of Interest and submit sealed ballots from residents to the Department for consideration. The Department provides guidance through a template for this process.
- B. Pending majority support to relocate which is reasonably close to 75 per cent, the Department will conduct a Preliminary Cost Benefit Analysis. The analysis will consider the approximate relocation costs compared to the total savings to Government over a 20-year period that would result from the withdrawal of Provincial Government services to the Community.
- C. If the Preliminary Cost Benefit Analysis indicates that the relocation will likely result in substantial net savings to Government in the order of \$10 million over a 20-year period, the Department will determine the residency status of persons in the Community and give written notification of determinations made in that regard.
- D. As indicated in paragraph 3 below, individuals have a right to appeal the determination of residency status.
- E. Based on the determination of residency status, the Department will complete an analysis of the total cost of relocation assistance compared to the total savings over a 20-year period that would result from the withdrawal of Provincial Government services to the Community. If the analysis indicates a substantial net savings to Government in the order of \$10 million, the process will continue to Step F.
- F. The Department will conduct a vote involving voting-aged Permanent Residents. If the vote does not confirm that at least 75 per cent (without rounding) of the eligible voters want to relocate, Government's consideration of the relocation request will stop.
- G. If the vote indicates 75 per cent or more of the individuals eligible to participate in the community vote support relocation, the Department will request Government approval of:
  - i. the relocation of the Community;
  - ii. sufficient funds to pay relocation assistance; and
  - iii. an Order in Council, pursuant to section 4.1 of the **Public Utilities Act** (the Act) exempting utilities from the application of Section 38 of the Act for that Community.
- H. The Minister will approve the relocation assistance request if at least 75 per cent of the Permanent Residential Property Owners in the Community accept offers of relocation financial assistance as drafted by the Minister.
- I. The Department and all relocating property owners (including Permanent Residential Property Owners and Commercial Property Owners) will sign legal documents detailing the provision of relocation financial assistance in exchange for the withdrawal of provincial services. Relocation assistance for Permanent Residents of voting age who are not property owners will be processed at the same time.

### **3. APPEAL OF RESIDENCY STATUS DETERMINATION**

The Department's determination of residency status impacts on eligibility to vote in the Community vote and on the determination of the level of relocation assistance payable.

An individual may appeal the Department's determination of residency status. An appeal may be based upon either the interpretation of facts by the Department related to residency or upon circumstances not envisioned by this policy, which may warrant an exception to the residency criteria.

An appeal must be made in writing to the Minister of Municipal and Provincial Affairs within 30 calendar days following receipt of written notification of the Department's decision on residency status. The appeal request must include all documentation and must detail all arguments in support of the appeal.

The Minister shall, within 30 days, appoint an independent reviewer to consider the appeal(s) and make a recommendation to the Minister. The reviewer may contact the person(s) who filed the appeal to request additional information, but is not required to do so. However, if additional information is provided, the reviewer must consider it as part of the review. In addition, the reviewer must provide an opportunity to appellants to present their case, either in-person or by other telephone or electronic means. The reviewer will be required to file a written report on the appeal(s) within 60 days. Having considered the reviewer's recommendation, the Minister will make a final determination of residency status.

### **4. COMMUNITY-DRIVEN REQUEST FOR RELOCATION**

The Department of Municipal and Provincial Affairs may provide information or briefings on this policy. However, the formal assessment of a Community's eligibility under this policy will only begin after Government receives clear indication that it is responding to a community-driven request for relocation assistance. Evidence of a community-driven request may be, for example, a written request from a Municipality or Local Service District, a petition from Community residents, or other indications acceptable to the Minister. In the absence of Expressions of Interest identified in Step A of the Evaluation Steps, the Department will advise the Community on how to undertake the Expression of Interest Step.

### **5. COMMUNITY VOTE**

The Department of Municipal and Provincial Affairs will assess the will of the Community through a vote on the question of relocation as per Step 2 (F).

Only voting-aged Permanent Residents are eligible to vote on relocation. Joint property owners will each have one vote.

Each identifiable individual entitled to vote will be provided with an individual ballot which she/he will mail to the Department of Municipal and Provincial Affairs in a pre-addressed, postage-paid envelope.

The Department of Municipal and Provincial Affairs will only release the aggregate results of the vote, and will not release the specifics of how any identifiable individual voted.

**6. FINANCIAL ASSISTANCE FOR RELOCATION**

No resident will be required to relocate, but residents who do not relocate will not receive relocation assistance. No provincial services will be provided to those choosing to remain in a relocated community.

Relocation assistance is not intended to compensate individuals or businesses for loss of property, employment, income potential, or any other costs beyond those specifically mentioned in this policy.

Relocation assistance will be paid directly to Property Owners and to Permanent Residents of voting age who are not Permanent Residential Property Owners.

Where a couple who has separated or divorced each have a property interest in a residential property or commercial property in the Community, no relocation assistance will be provided unless proof of property interest is provided satisfactory to the Department. In these cases, the relocation assistance will be divided proportionally in accordance with each person's proportional share in the property.

Should a Community meet all eligibility requirements for relocation assistance, the Minister shall offer, in exchange for consent to the discontinuation of all provincial services in the community, the following financial assistance to relocate:

**A. Permanent Residential Property Owners**

The amount of financial assistance payable to Permanent Residential Property Owners will be determined by the number of Permanent Residents living in the household in accordance with the following table:

# of Permanent Residential Property Owners and their minor dependents per household	Total Household Relocation Assistance
1	\$250,000
2	\$260,000
3 or more	\$270,000

**B. Permanent Residents of Voting Age Who Are Not Permanent Residential Property Owners**

The amount of financial assistance payable to each Permanent Resident of voting age who is not a Permanent Residential Property Owner will be \$10,000.

**C. Commercial Property Owners**

The amount of financial assistance payable to Commercial Property Owners will be two times the assessed value of the commercial property as determined by the Municipal Assessment Agency. If the Municipal Assessment Agency has not assessed the property within the twelve months

immediately preceding the Relocation Request Date, the Agency will complete a new assessment of the property.

## **7. OTHER ASSISTANCE FOR RELOCATION**

To help Permanent Residential Property Owners and Commercial Property Owners make informed legal decisions, the Department of Municipal and Provincial Affairs will pay legal fees related to consideration of the Department's written offer detailing relocation assistance and the discontinuation of provincial services. The Department will contract for this service with a legal firm to be chosen by the Community's Permanent Residential Property Owners. A Permanent Residential Property Owner or a Commercial Property Owner may use the services of a different legal firm of their choosing, provided the individual(s) pay this expense themselves.

Upon request, the Department will also assist Permanent Residential Property Owners with the prior purchase of a property in another Community by taking an interim mortgage on the property purchased. The maximum value of an interim mortgage will be 80% of the relocation assistance they will receive. The Department will release the interim mortgage after all signed offers of financial assistance are received. The Department will recover the mortgage funds from the relocation assistance payment due to the person relocating.

## **8. TITLE TO PROPERTY**

Permanent Resident Property Owners and Commercial Property Owners will retain title to their properties. The Department will not consider provision of relocation assistance for owners of any properties other than habitable residential properties and commercial properties.

## **9. COST TO GOVERNMENT TO PROVIDE SERVICES TO THE COMMUNITY**

In evaluating a request for Community relocation, the Minister of Municipal and Provincial Affairs will consider the cost to Government to provide services to the Community over a 20-year period. These services include, but are not limited to, ferry service, electricity, roads, schools, hospitals/health centres, future required infrastructure upgrades, municipal operating grants, municipal debt, and travel of Government staff. These costs will be determined in consultation with the respective departments / agencies that provide the services. Indirect rate-payer savings resulting from the elimination of NL Hydro services are included in the Cost Benefit Analysis.

The Department of Municipal and Provincial Affairs will consult with all Government departments, NL Hydro and the Community's municipal leaders to ensure that the analysis of costs and benefits of relocation includes:

- a comprehensive listing of Government services provided to the Community;
- a profile of the Permanent Residents and Commercial Property Owners within the Community; and
- an assessment of the indirect impacts of removing Government services, such as hydro lines and generators or transportation systems, on adjacent businesses or communities.

## **10. POLICY RESTRICTION**

Individuals can only access relocation financial assistance once in a lifetime, effective from the date of the March 2013 Policy.

