

FINANCIAL MANAGEMENT COMMITTEE

HIS WORSHIP, THE MAYOR
AND COUNCILLORS

SUBJECT: LGA SECTION 781 – PROPERTY TAX WRITE-OFF

RECOMMENDATION:

1. THAT Council authorize staff to apply to the Minister of Community, Sports and Cultural Development to issue an order pursuant to Section 781 of the *Local Government Act* that has the effect of writing off the property taxes in the amount of \$17,160.64 (2016 December 31) that are outstanding for the property listed in Appendix A, attached to this report.

REPORT

The Financial Management Committee, at its meeting held on 2017 February 22, received and adopted the attached report seeking Council's approval for the write off of property taxes, as set out in this report.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

Copy: City Manager Director Finance Director Planning & Building Director Parks, Recr. & Cult. Services City Solicitor Area Assessor, BC Assessment
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2017 February 15

FROM: DIRECTOR FINANCE

FILE: 7815-01

SUBJECT: LGA SECTION 781 – PROPERTY TAX WRITE-OFF

PURPOSE: To obtain Committee's approval and recommendation to Council for the Write Off of Property Taxes as set out in this report.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize staff to apply to the Minister of Community, Sport and Cultural Development to issue an order pursuant to Section 781 of the *Local Government Act* that has the effect of writing off the property taxes in the amount of \$17,160.64 (2016 December 31) that are outstanding for the property listed in Appendix A, attached to this report.

REPORT**1.0 BACKGROUND**

The *Local Government Act* stipulates that the municipal tax collector must conduct an annual "tax sale" during which each parcel of real property on which taxes are delinquent for a specified period of time is offered for sale by public auction. There are, however, certain circumstances whereby this mechanism is either not available or not a viable option for the collection of unpaid property taxes as follows:

Section 257 (1) of the Community Charter specifies that the "tax sale" process cannot be used as the recovery mechanism for property taxes owing on Crown land that is held under lease or licence

2.0 DISCUSSION

The property listed in Appendix A has unpaid property taxes for 2009 to 2013 and are now in a delinquent tax status. This property falls in the above-referenced category in relation to the use of the "tax sale" process to recover outstanding property taxes.

Over the years, staff has attempted to collect the outstanding tax balances but has been unsuccessful. The property is a vacant water lot and is no longer being assessed by the BC

To: Financial Management Committee
From: Director Finance
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Assessment Authority as a taxable property. BC Assessment has confirmed that the lease agreements have been terminated for the government-owned property that was being held under lease.

Under Section 781 of the *Local Government Act* Council can apply to the Minister of Community, Sport and Cultural Development to write off the outstanding property taxes. If this application is approved by the Minister, the City can write off its portion of outstanding property taxes receivable. The City would then be in a position to request reimbursement from other taxing authorities for the portion of property taxes already paid out by the City for this property. All administrative activities related to this property will then end, which will reduce on-going costs associated with maintaining the City's financial records. Appendix A documents the amount the outstanding property tax that remains unpaid on the property, totaling \$17,160.64, (as at 2016 December 31) of which \$11,765.13 is the City's portion.

3.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend that Council authorize staff to apply to the Minister of Community, Sport and Cultural Development to issue an order pursuant to Section 781 of the *Local Government Act* that has the effect of writing off the property taxes in the amount of \$17,160.64 that are outstanding for the property as listed in Appendix A.


for Denise Jorgenson
DIRECTOR FINANCE

DJ:RR/mm

Copied to: City Manager
Director Planning and Building
Director Parks, Recreation & Cultural Services
City Solicitor
City Clerk
Area Assessor, BC Assessment

Appendix A - Summary of Property Taxes Uncollectable by Means of Tax Sale

Roll #	Civic Address	Owners	Leaseholder
9999-5000-0006	1402-5000 Burrard Inlet	Vancouver Fraser Port Authority	Seaborne Investments Inc Ltd. C/O Intralund Corp

Tax Year	Assessment	City	School	GVTA	GVRD	BCA	MFA	Tax Levy	Penalties	Interest	Total Annual Charges
2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 925.41	\$ 925.41
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897.15	\$ 897.15
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 868.19	\$ 868.19
2013	\$ 131,800	\$ 1,246.99	\$ 817.16	\$ 196.24	\$ 19.15	\$ 23.87	\$ 0.07	\$ 2,303.48	\$ 236.10	\$ 675.30	\$ 3,214.88
2012	\$ 125,100	\$ 1,263.51	\$ 800.64	\$ 193.72	\$ 17.65	\$ 23.06	\$ 0.06	\$ 2,298.64	\$ 235.61	\$ 493.63	\$ 3,027.88
2011	\$ 124,700	\$ 1,250.83	\$ 823.02	\$ 200.59	\$ 19.09	\$ 23.64	\$ 0.06	\$ 2,317.24	\$ 237.51	\$ 321.08	\$ 2,875.83
2010	\$ 124,700	\$ 1,250.69	\$ 847.96	\$ 209.60	\$ 20.99	\$ 24.78	\$ 0.06	\$ 2,354.07	\$ 241.29	\$ 141.62	\$ 2,736.98
2009	\$ 124,700	\$ 1,237.17	\$ 872.90	\$ 215.68	\$ 20.19	\$ 25.26	\$ 0.06	\$ 2,371.27	\$ 243.05	\$ -	\$ 2,614.32
		\$ 6,249.19	\$ 4,161.68	\$ 1,015.83	\$ 97.07	\$ 120.61	\$ 0.32	\$ 11,644.70	\$ 1,193.56	\$ 4,322.38	\$ 17,160.64

<u>Other Authorities</u>	<u>City of Burnaby</u>	<u>Total</u>
<u>Portion</u>	<u>Portion</u>	
\$ 5,395.51	\$ 11,765.13	\$ 17,160.64