

Corporate Report

NO: R284

COUNCIL DATE: November 29,

2004



REGULAR

TO: Mayor & Council DATE: November 16,
2004

FROM: General Manager, FILE: 1970-17
Finance Technology & HR

SUBJECT: Section 315.3 Property Tax Write Off – South Surrey
Field House
- \$21,421.50 (City Portion \$9,474.91)

RECOMMENDATION

That Council apply to the Minister of Community, Aboriginal and Women's Services to issue an order pursuant to Section 315.3 of the *Local Government Act* for authorization to write off property taxes for the property leased by South Surrey Field House in the amount of \$21,421.50 (City Portion \$9,474.91).

DISCUSSION

The Rotary Field House, located in South Surrey Athletic Park, was completed in 1999, at which time the City entered into a lease arrangement with the South Surrey Field House Society who operate the building. The City owns the property; therefore, the lease was silent on the payment of property taxes based on the assumption that it was exempt.

In 2003 the BC Assessment Authority began assessing the property occupied by the Field House. Once the City and the operators of the Field House became aware of the new assessments, it was already too late to apply for a permissive exemption under Section 224 of *The Community Charter* for that year. However, this exemption was applied for and granted for 2004 and onwards. The 2003 property taxes remain outstanding.

City Staff are now working more closely with the Assessment Authority to try to identify situations such as this, prior to the statutory deadline for tax exemptions. This will give property owners or 'occupiers' an opportunity to apply for a permissive exemption in the year that the property is assessed.

The attached schedule outlines the distribution of the outstanding taxes totalling \$21,421.50, of which \$9,474.91 is the City's portion. Council may elect to apply to the Minister of Community, Aboriginal and Women's Services to write off the outstanding balance. If this election were chosen, the City would be re-imbursed for the outstanding portion of the taxes levied from and already remitted to other levels of government (\$11,946.59). The funds required to write off these outstanding taxes was set-aside in previous years; therefore, there is no impact on 2004 expenditures.

CONCLUSION

In 1999 the South Surrey Field House Society began leasing property from the City of Surrey. At that time, the property was exempt from property taxes. In 2003 BC Assessment Authority began assessing the property occupied by the Field House. The operators of the Field House applied for and were granted an exemption for 2004 and onwards. The 2003 property taxes remain

outstanding. It is recommended that Council apply to the Minister of Community, Aboriginal and Women's Services to write off the outstanding balance of \$21,421.50. The funds required to write off these outstanding taxes was set-aside in previous years therefore there is no impact on 2004 expenditures.

Vivienne Wilke, CGA,
General Manager, Finance,
Technology & HR

