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## Corporate Report

COUNCIL DATE: November 29,

NO: R285

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 - Imperial

**Lumber Limited** 

- \$12,706.41 (City Portion \$5,866.26)

## 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 two properties leased by Imperial Lumber Limited in the amount of \$12,706.41 (City Portion \$5,866.26).

## DISCUSSION

In1990 Imperial Lumber Limited leased properties located at 10709 and 10719 Dyke Road from Fraser River Port Authority (the Port). The lease agreement stated the lessee was responsible for payment of all City taxes and charges.

The City sent tax notices to the Port and the tenant each year showing the outstanding balance along with the new charges. These amounts were not paid. In 1993, Imperial Lumber Limited vacated the premises and was no longer a tenant on the Port lands. Over the years, the City and the Port tried to collect the outstanding balances but were not been successful. In 1999, Imperial Lumber Limited filed for bankruptcy. A search of the Company with the Registrar of Titles indicated that on June 22, 2001, Imperial Lumber Limited was dissolved and removed from the Corporate Registry.

The attached schedule outlines the distribution of the outstanding taxes totalling \$12,706.41, of which \$5,866.26 is the City's portion. The normal remedies available to the City for collecting outstanding taxes, such as tax sale, are not available for lands leased from the Fraser River Port Authority. Staff has exhausted all other traditional methods. The remaining balance is now considered to be uncollectable.

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 (\$6,840.15).

The funds required to write off these outstanding taxes were set aside in previous years as it became doubtful that the balance would be paid by Imperial Lumber Limited.

## CONCLUSION

In 1990 Imperial Lumber Limited leased land located at 10709 and 10719 Dyke Road from the Fraser River Port Authority and became responsible for paying annual property taxes. Imperial Lumber Limited did pay any of the outstanding property taxes and vacated the property in 1993. Fraser River Port Authority and the City both tried unsuccessfully to collect the outstanding taxes. A Company search indicated that Imperial Lumber Limited had been dissolved in June 2001.

It is recommended that Council apply to the Minister of Community, Aboriginal and Women's Services to write off the outstanding balance (\$12,706.41). This would allow the City to recover the outstanding portion of the taxes levied from and already remitted to other levels of government (\$6,840.15). There is no financial impact on 2004 expenditures.

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

