



Corporate Report

NO: R109

COUNCIL DATE: May 2, 2005

REGULAR

TO: Mayor & Council DATE: May 5, 2005
FROM: General Manager, Finance, FILE: 1960-30
 Technology & HR
SUBJECT: Electronic Home Owner Grant

RECOMMENDATION

That Council receive this report for information.

INTENT

To update Council on the implementation of the Electronic Home Owner Grant commencing May 2005.

BACKGROUND

The Provincial Home Owner Grant is intended to help reduce the burden of residential property taxes on homeowners who occupy eligible residences.

The Home Owner Grant is available to individuals who are Canadian citizens or Landed Immigrants and reside permanently in British Columbia. If eligible, a homeowner is entitled to a basic grant for his/her principal residence. An owner is entitled to an additional grant if he/she is also over 65 years of age, permanently disabled and fulfils the eligibility requirements, or in receipt of certain war veterans allowances. The grant is not automatically given and must be applied for each year.

In May 2005, the City is introducing the Electronic Home Owner Grant to enable homeowners to claim their grant 'online' through the City's website. Beyond providing additional options to taxpayers and enhancing customer service, we anticipate electronic grant submissions will help streamline the application procedure and increase efficiency.

DISCUSSION

In 2004, the City approved and processed 62,749 basic grants and 19,855 additional grants. Staff in the Taxation and Cash Management Section manually reviews each paper grant application to approve eligibility. The approved grant is scanned and processed through the property tax system (Tempest), and credited to the owner's property tax account. The Province of BC requires that the City keep each application and supporting documents for seven years.

Home Owner Grant applications are frequently incomplete which requires follow-up by staff. Others are reported "lost", either through the mail or by financial institutions that have accepted payment. This causes inconvenience to the property owner because they have to re-apply.

The Electronic Home Owner Grant will help eliminate the problem of incomplete or missing information as the online form has mandatory field requirements and built in safeguards for approval. The application form must be completed fully or the applicant will receive an appropriate error message. Once the online application is completed, the claimants will receive

proof of their claim outlining the grant details, thereby mitigating the problem of “lost” applications. The procedure for processing electronic grants is simpler than that for paper handling, cutting down administrative time and storage costs.

In 2004, approximately 22,300 customers had their mortgage company pay their property taxes on their behalf. In addition, close to 20,000 customers paid their taxes via online banking. There are also over 13,100 clients on the City's Pre-Authorized Withdrawal System who prepay their taxes. For many of these taxpayers, claiming the grant via the paper application is a separate process easily forgotten. Additionally, many financial institutions are increasingly transferring payments electronically and advising customers to submit their grant applications directly to the City. Many claimants will prefer to use an online method that provides confirmation, rather than come to City Hall or use the mail.

Grant applicants will go to the City's website (www.city.surrey.bc.ca) and click on “Claim your Home Owner Grant Online”. The submission process will be a simple matter of inputting the folio number and access code printed on the Property Tax Notice.

CONCLUSION

Commencing May 2005, property owners in the City of Surrey will be able to claim their Provincial Home Owner Grant online using the City's website, instead of completing a paper application.

This progressive use of technology will give Surrey residents more options, allowing them to find the most convenient method of claiming their grant and paying their property taxes. It should also reduce handling and processing time, thereby increasing efficiency. This will enhance the City's customer service by freeing up staff to concentrate on other inquiries during the busiest time of year.

The electronic Home Owner Grant will be particularly advantageous to those taxpayers who use online or telephone banking, pay at their bank branch or whose mortgage companies pay on their behalf. By accessing the City's website, customers will also become aware of other online services, such as paying for business and dog license renewals, registering for Parks, Recreation and Culture programs or searching property tax and utility accounts.

The process has been approved by the Home Owner Grant Administration Branch and developed in conjunction with BC Tax Collectors.

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