

NO: **R139**

COUNCIL DATE: **June 25, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **June 21, 2012**

FROM: **General Manager, Finance & Technology**

FILE: **1970-17**

SUBJECT: **Section 315.3 Property Tax Write-off**

RECOMMENDATION

The Finance and Technology Department recommends that Council apply to the Minister of Community, Sport and Cultural Development to issue an order pursuant to Section 315.3 of the *Local Government Act* that has the effect of writing off the property taxes in the amount of \$136,766.92 that are cumulatively owing on the properties listed in Appendix 'A' attached to this report.

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 where this mechanism is either not available or not a viable option for the collection of unpaid property taxes as follows:

- Section 257 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; and
- Delinquent property taxes on manufactured homes that were located in a mobile home park become uncollectable because the related manufactured home has been relocated outside the limits of the City or has been destroyed.

DISCUSSION

The properties that are listed in Appendix 'A' have property taxes that are delinquent. These properties fall in one of the above-referenced categories of properties in relation to the use of the "tax sale" process to recover property taxes.

Over the years, staff has attempted to collect the outstanding tax balances but has been unsuccessful. The properties are no longer being assessed by the BC Assessment Authority as taxable properties. The BC Assessment Authority has confirmed that the lease agreements have been terminated for those government-owned properties that were being held under lease and in relation to those properties that were manufactured homes; the homes have been either moved outside of Surrey or destroyed.

Appendix 'A' documents the amount the outstanding property tax that remain unpaid on each such property, totalling \$136,766.92, of which \$66,898.50 is the City's portion. Under Section 315.3 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, in addition to reducing the on-going costs associated with administering the City's financial records, the City would be reimbursed for the unpaid property taxes that currently remain unpaid on those parcels that are owned by the provincial and federal governments. This would amount to \$69,868.42.

CONCLUSION

Based on the above discussion, it is recommended that Council apply to the Minister of Community, Sport and Cultural Development to issue an order pursuant to Section 315.3 of the *Local Government Act* that has the effect of writing off the property taxes in the amount of \$136,766.92 that are cumulatively owing on the properties listed in Appendix 'A' attached to this report.

Vivienne Wilke, CGA
General Manager,
Finance & Technology

Appendix "A": Summary of Properties for which Property Taxes are Uncollectable by means of
Tax Sale

APPENDIX A

SUMMARY OF PROPERTIES FOR WHICH PROPERTY TAXES ARE UNCOLLECTABLE BY MEANS OF TAX SALE

Folio	Street	House	Unit	Owners	Leaseholder	Tax Years Levied	GVRD	MFA	BCA	School	GVTA	General	Local Roads and Traffic Safety	Drainage Parcel Tax	Water Rates	Total
MOBILE HOMES																
0512-03011-X	160 ST	864	11	GANERT BOB L	N/A	2005 - 2008	3.34	-	3.31	98.36	18.03	109.54	0.29	-	-	232.87
0512-03014-5	160 ST	864	14	MAXINE GAIL	N/A	2005 - 2008	4.49	0.01	4.43	131.70	24.15	146.76	0.39	-	-	311.93
0610-37002-9	152 ST	5921	M	CAMERON DONNA L & DUTZ GERTY	N/A	2006 - 2008	4.70	0.02	4.55	136.33	25.41	152.83	0.39	-	-	324.23
0626-03004-3	82 AVE	15495		MERCIER KATHOLYN H & MERCIER LARRY T	N/A	2007	1.54	0.01	1.44	42.96	7.85	48.29	-	-	-	102.09
0628-01111-8	KING GEORGE BLVD	8190	60	WEST LESLIE J	N/A	2006	2.71	0.01	2.68	81.03	15.38	88.88	-	-	-	190.69
0628-03061-7	KING GEORGE BLVD	8220	TEMP	FARRELL JAMES A	N/A	2004 - 2008	6.70	0.02	6.79	201.81	31.63	222.16	0.56	-	-	469.67
0709-97102-3	16 AVE	18874	M	FROSTRUP DEVELOPMENT LTD	N/A	2003 - 2008	2.93	-	3.08	91.52	13.07	98.96	0.13	-	-	209.69
TOTAL MOBILE HOMES							26.41	0.07	26.28	783.71	135.52	867.42	1.76	-	-	1,841.17
BC TRANSPORTATION																
2070-23002-8	INDUSTRIAL RD	12204		BC TRANSPORTATION FINANCING	PRO-TRAXX CHASSIS & TRAILER SALES	2005 - 2007	87.48	0.05	113.14	3,942.46	909.92	3,894.22	-	310.00	-	9,257.27
2070-27003-8	112A AVE	12246		BC TRANSPORTATION FINANCING	PRO-TRAXX CHASSIS & TRAILER SALES	2005 - 2007	156.59	0.08	202.65	7,056.21	1,627.15	6,970.10	-	310.00	-	16,322.78
TOTAL BC TRANSPORTATION							244.07	0.13	315.79	10,998.67	2,537.07	10,864.32	-	620.00	-	25,580.05
PORT AUTHORITIES																
2700-03036-9	PINE RD	11799		FRASER RIVER HARBOUR COMM	N/A	1995 - 1997	20.02	0.05	22.61	642.21	37.66	662.05	-	-	666.30	2,050.90
9907-01018-2	996 ST	12009		VANCOUVER FRASER PORT AUTHORITY	SURREY MARINE TOWING & SALVAGE LTD	2001 - 2006	132.40	0.19	128.89	4,017.52	1,020.80	3,913.41	-	741.00	-	9,954.21
9907-00327-X	PORT MANN SHORE	13695		VANCOUVER FRASER PORT AUTHORITY	THEOLOGUS EILEEN & STANLEY	2004 - 2010	6.11	0.01	7.77	268.47	64.67	272.43	3.56	944.00	-	1,567.02
TOTAL PORT AUTHORITIES							158.53	0.25	159.27	4,928.20	1,123.13	4,847.89	3.56	1,685.00	666.30	13,572.13
CROWN LAND																
5010-20002-8	BEACH RD	16269		CROWN SEMIAHMOO INDIAN RESERVE	FRANSEN LANA	1998 - 2005	53.95	0.14	70.72	1,724.69	141.99	1,879.59	-	587.00	-	4,458.08
5010-21002-2	BEACH RD	16275		CROWN SEMIAHMOO INDIAN RESERVE	SMALL COREY	2000 - 2005	43.38	0.12	51.03	1,476.82	130.38	1,533.89	-	587.00	-	3,822.62
5010-22002-7	BEACH RD	16255		CROWN SEMIAHMOO INDIAN RESERVE	FRANSEN CORINNE L	2000 - 2005	42.16	0.12	49.57	1,247.13	126.74	1,490.23	-	587.00	-	3,542.95
5010-24002-6	BEACH RD	16247		CROWN SEMIAHMOO INDIAN RESERVE	ROGERS BRENDAN & JANIS	2000 - 2005	40.65	0.12	47.82	1,384.03	122.22	1,437.55	-	587.00	-	3,619.39
5010-47002-0	BEACH RD	16201	5	CROWN SEMIAHMOO INDIAN RESERVE	LAVOIE DOROTHEA & MARCEL	1999 - 2005	52.82	0.15	62.02	1,786.80	150.15	1,851.34	-	587.00	-	4,490.28
5010-50002-4	BEACH RD	16201	2	CROWN SEMIAHMOO INDIAN RESERVE	WISZKA PAULINE	2001 - 2005	44.43	0.14	51.76	1,505.97	142.41	1,568.39	-	587.00	-	3,900.10
5010-57002-6	BEACH RD	16249		CROWN SEMIAHMOO INDIAN RESERVE	CORFIELD PHYLLIS	2003 - 2005	20.56	0.06	22.97	677.07	76.74	712.87	-	447.00	-	1,957.27
5010-95102-2	BEACH RD	16423		CROWN SEMIAHMOO INDIAN RESERVE	JUNIPER FREDERICK S & CLARA W	2000 - 2005	54.35	0.17	63.91	1,849.76	163.40	1,921.31	-	587.00	-	4,639.90
5010-95206-3	UPPER BEACH RD	16485		CROWN SEMIAHMOO INDIAN RESERVE	N/A	2000 - 2001	20.59	0.06	25.30	357.01	41.79	674.80	-	136.00	-	1,255.55
5010-95802-8	UPPER BEACH RD	16457		CROWN SEMIAHMOO INDIAN RESERVE	VANSTONE DAVID	1998 - 2005	72.19	0.15	122.66	1,403.62	157.59	2,466.43	-	587.00	-	4,809.64
9990-00002-5	8 AVE	15782		CROWN SEMIAHMOO INDIAN RESERVE	EMROR HOLDINGS LTD	2003 - 2006	617.69	0.34	797.88	26,374.97	4,960.06	26,191.21	-	335.64	-	59,277.79
TOTAL CROWN LAND							1,062.77	1.57	1,365.64	39,787.87	6,213.47	41,727.61	-	5,614.64	-	95,773.57
TOTAL							1,491.78	2.02	1,866.98	56,498.45	10,009.19	58,307.24	5.32	7,919.64	666.30	136,766.92

Other Authorities Portion	City of Surrey Portion	Total
\$ 69,868.42	\$ 66,898.50	\$136,766.92