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	MANAGER'S REPORT NO. 66
	COUNCIL MEETING 1979 10 01

#### GRANTS IN LIEU OF TAXES RE:

The following is a report from the Municipal Treasurer re the above.

#### RECOMMENDATION

1. THAT the recommendation of the Municipal Treasurer be adopted.

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1979 September 26

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TO: MUNICIPAL MANAGER

MUNICIPAL TREASURER FROM:

RE: GRANTS IN LIEU OF TAXES

#### RECOMMENDATION

THAT Council direct that an enquiry go forward to the 1. National Harbours Board expressing concern with the lateness of payments of grants in lieu of taxes, a process that has been going on for many years.

#### REPORT

On receipt of the Treasurer's Statement of Revenue and Expenditure for the period 1979 January 01 to 1979 June 24, on 1979 August 13 Council passed the following motion:

"THAT this Council go on record with the Provincial and Federal Governments voicing concern with the lateness of payments of grants in lieu of taxes and pointing out that the receipt of such grants seems to be getting later every year, and requesting that the senior governments remit the grants in lieu of taxes more promptly."

### B.C. HYDRO

Due date for receipt of taxes was 1979 July 04. B.C. Hydro paid their taxes by this date, as they always do. The others did not, for a number of reasons.

#### PROVINCE OF B.C.

Advice was received by Council on 1979 September 17 from The Hon. Evan M. Wolfe, Minister of Finance, that under Section 4 of the Municipalities Aid Act the grants to municipalities are payable each year at the time prescribed by the Lieutenant-Governor in Council. The Minister went on to say: "I note the grant has been paid in the month of October in most of the recent years and I acknowledge the motion passed by your Council concerning the date of payment of the grant."

Whereupon Council directed that information be obtained as to the actual date prescribed by the Lieutenant-Governor in Council for the payment of these grants and whether the Provincial Government is adhering to that date.

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Municipalities do not bill the Province for grants in lieu of taxes. The Province calculates the grants from their own records. The record for 1977 to 1979 shows:

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1977 - payment of \$688,067 received 1977 October 02 1978 - payment of \$779,188 received 1978 October 29 1979 - payment is outstanding

I have been advised that the Ministry of Finance has been faced with three problems in expediting payments of grants in lieu of taxes:

- 1. The sheer volume of work and the need to obtain sufficient information on which to base the grants.
- Confusion as to responsibility for same between the Department of Finance and the B.C. Buildings Corporation.
- 3. The difficulty of obtaining assessment information from the Assessment Authority.

Their modus operandi is for the Department to process the grants and when the work is complete, file an Order-in-Council with the Lieutenant-Governor in Council. The date the Order is passed by the Council becomes the date prescribed in Section 4 of the Municipalities Aid Act and varies year by year.

As stated by the Minister, the Ministry recognizes that this grant process should be speeded up, and my information is that administrative staffs are endeavouring to do so. Now that the Assessment Authority has completed the changes in the assessment bases, the Department of Finance should be able to speed up the process.

#### DOMINION OF CANADA

On the agenda for 1979 October Ol appears a letter from The Hon. John C. Crosbie, Minister of Finance, relative to the 1977, 1978 and 1979 grants. In these instances, applications went forward from the Municipality on dates later than the general tax billing.

In each instance it is necessary to obtain data from the Assessment Authority on which to compile the bills. In 1978 particularly, the Assessment Authority was experiencing problems in converting to the new system of assessments, and the necessary information was received very late indeed. Steps have been taken to speed up the process in future years.

The following is a record of grants received from 1977 to 1979:

1977 -	grant billed 1977 June 08 payment received 1977 August 4	\$ 93,020 93,020
1978 -	grant billed 1978 November 04 interim payment received 1978 November 26	128,100 80,000
	amount outstanding 1979 September 26	48,100
1979 -	grant billed 1979 July 25 interim payment received 1979 September 25	127,779 80,000
	amount outstanding 1979 September 26	47.779

It will be observed that the Federal Government follows the practice of making interim payments. The delay in final payment occurs because, as stated by the Minister, field visits by valuation officers to inspect the properties are necessary.

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## NATIONAL HARBOURS BOARD

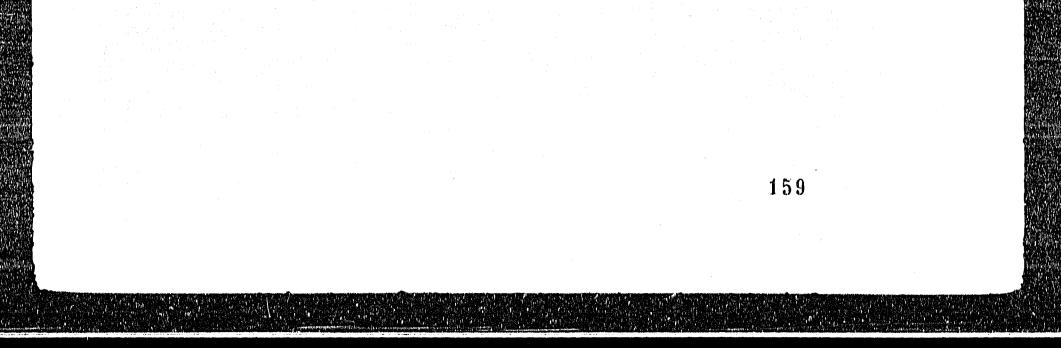
Grants are received from the National Harbours Board and traditionally, final settlement takes place in the year following the billing. Of late, they have given interim payments. The record for 1977, 1978 and 1979 shows:

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1977 -	- grant billed 1977 June 06 interim payment received 1978 February 02 final payment received 1978 April 16	\$ 94,978 72,900 22,078
	amount outstanding 1979 September 26	Nil
1978 •	- grant billed 1978 October 27 interim payment received 1979 May 22	91,238 <u>84,750</u>
	amount outstanding 1979 September 26	6,488
1979 -	- grant billed 1979 September 17 amount outstanding 1979 September 26	87,540 87,540

MUNICIPAL TREASURER

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