

RE: LETTER FROM MRS. ERLING WEHOLM, 4630 SARDIS STREET,  
BURNABY, B.C. V5H 1L1  
HOME-OWNER GRANTS - APPLICATION OF PENALTY

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

*THAT the recommendation of the Director Finance  
be adopted.*

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TO: MUNICIPAL MANAGER

1984 August 10

FROM: DIRECTOR FINANCE

RE: LETTER FROM MRS. ERLING WEHOLM  
4630 SARDIS STREET, BURNABY, B.C., V5H 1L1  
HOME-OWNER GRANTS - APPLICATION OF PENALTY

RECOMMENDATION

1. THAT a copy of this report be sent to Mrs. Erling Weholm,  
4630 Sardis Street, Burnaby, B.C., V5H 1L1.

SUMMARY

This report summarizes the procedures for processing property tax payments, including the application of penalties as required, and reviews applicable by-laws and statutory requirements. It is concluded that our procedures are cost effective and efficient. Further, staff performance relative to Mrs. Weholm's statements has been reviewed and found to be satisfactory relative to this matter.

REPORT

1. INTRODUCTION

On Council's agenda for the meeting of 1984 August 20, is a letter from Mrs. Erling Weholm, protesting the application of a 5% penalty against a late application for the Home-owner Grant portion of the property tax on their home at 4630 Sardis Street, Burnaby. Also, Mrs. Weholm expresses concern that staff members of the Finance Department - Tax Office, are lacking in understanding and are uncooperative with the public.

2. BACKGROUND

2.1 Tax Statements

Property tax statements for 1984 were mailed on 1984 May 23rd. The due date for payment of taxes was 1984 July 04. A penalty of 5% of unpaid taxes was added on 1984 July 05, and a further 5% penalty will be added on 1984 September 05.

The tax statement form includes several references to the requirement for qualifying home-owners to complete the application for a Home-owner Grant. On the front of the form there is emphasis in bold print and instructions that to avoid penalty, the completed application for the grant must be received by the Municipality by 1984 July 04. Also, there is reference to items No. 4 and No. 5 in the Instructions to Taxpayer which appear on the reverse side of the form. Item No. 4 emphasizes that the completed application for the grant must be submitted by July 04. Also, there is information that a qualifying home-owner may claim the grant without making payment on the taxes and thus avoid the penalty on that portion of the taxes.

Prior to the mailing of tax statements, the May issue of Information Burnaby carried an item to advise property owners that tax statements would be mailed during the month and included information regarding the requirement for qualifying owners to complete the application for the grant by the tax due date to avoid penalty.

Additionally, display newspaper advertisements reminding taxpayers of the tax due date and the Home-owner Grant application appeared in the Vancouver Sun, Vancouver Province and Burnaby Now publications of 1984 June 11, 16 and 17.

## 2.2 Processing Tax Payments

A principal objective in our procedure for handling tax payments is that payments are processed and banked on a one day cycle. Each payment is examined when it is received to determine: (a) is it for the correct full amount; (b) if applicable, has the application for the Home-owner Grant been completed; (c) is the cheque postdated. A partial payment of taxes is followed up with a statement of taxes outstanding which sets out the new balance. In cases where an error or a discrepancy is identified, the payment and notice is set aside until the bulk processing has been completed. In those cases where the net amount of taxes (gross taxes less the Home-owner Grant) is indicated, but the application for the grant has not been completed, staff attempt to contact the property owner by telephone. If contact is not established, a notice is mailed to advise the owners that to avoid penalty they must complete a grant application prior to the designated penalty date. The mailing of such notice is waived when it is obvious that postal delivery cannot be completed in time to submit a grant application prior to penalty date. When a tax statement is returned without payment and the application for the grant is not completed, it is returned to the property owner with an explanatory note to advise that, if it is their intention to apply for the grant to avoid penalty, the application must be completed and returned by the due date.

Approximately three weeks after a penalty date an updated tax statement, showing penalty charges and new balance, is mailed to affected property owners.

In Mrs. Weholm's case, payment was processed on 1984 June 29. On the same day, in accordance with our procedures, a tax statement notice was mailed on which was written advice that the grant application had not been completed and a request to sign and return it by 1984 July 04, although Mrs. Weholm's letter indicates to the contrary. A copy of the notice that was sent to Mr. and Mrs. Weholm is on file in the Tax Office. The required application was returned to the Tax Office on 1984 July 06, but it was too late to avoid the penalty.

It should also be noted that in accordance with our procedures, a member of staff would have attempted at least one telephone call to the Weholms. It is obvious that in this situation, the call did not go through. In all likelihood, the extremely heavy workload in the Tax Office did not allow any additional calls to be made, and as stated above, a notice was subsequently sent to the Weholms.

The tax statement received by Mr. and Mrs. Weholm on 1984 July 26 is the regular follow up statement mailed after application of penalty charges. The \$19.00 represents a 5% penalty on \$380.00, the amount of the Home-owner Grant.

### 3. REGULATIONS

Annually, in accordance with the requirements of the Municipal Act, Council enacts a Rates By-law. The 1984 Burnaby Rates By-law, No. 8205, was enacted 1984 May 07. In part, By-law No. 8205 requires the Collector to add a penalty of 5% to the amount of taxes which are unpaid following 1984 July 04, and a further 5% following 1984 September 05. The Act further provides that the Collector has no power to waive full payment or to make an agreement to extend time or postpone proceedings to collect taxes. Penalties constitute a tax charge against property. Additionally, the Act provides that Council may not give an exemption from a tax unless it is otherwise specifically provided in the Act. The "otherwise specified" relates to the annual tax exemption granted by by-law or resolution, to churches and some other community facilities in accordance with Sections 398 and 400.

This is the basis for the information that was provided to Mr. and Mrs. Weholm.

It is quite clear that the provisions of the Act regarding the collection of taxes and applicable penalties are to ensure that all taxpayers are treated equally.

### 4. STAFF PERFORMANCE

The circumstances pertinent to Mrs. Weholm's reference to action by staff members have been reviewed. The persons named in the letter and the person who processed the tax payment discharged their duties and responsibilities in accordance with established administrative procedures and the by-law and statutory requirements covering the collection of taxes. The payment was processed correctly and the information provided to the Weholms was consistent and accurate. We therefore conclude that there is no lack of staff understanding, nor any need for staff to "protect each other". With the possible exception of the interrupted telephone conversation on 1984 July 27, which we are unable to confirm, there is no suggestion that Mr. or Mrs. Weholm were in any way treated in a discourteous manner by staff.

Considering the high volume of tax payments that are processed within the last few days prior to the deadline, our procedures are, in our view, very effective.

The practice of attempting to contact or notify property owners who apparently qualify for the grant but do not complete an application was implemented as a service to taxpayers. Due to circumstances beyond our control, (e.g. non availability of persons concerned, postal service delivery time, etc.) this procedure is not and can never be 100% effective. Nevertheless, we believe it represents good service to the taxpayers.

### 5. CONCLUSION

The review of our procedures and examination of staff performance as a result of Mrs. Weholm's letter, reaffirms to our satisfaction that our method of processing tax payments is administratively cost efficient and effective, is in compliance with applicable by-laws and statutory regulations, and that staff are discharging their duties in a responsible and satisfactory manner.



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From the Weholms' correspondence it is noted they are away on vacation until 1984 August 21. Consequently there is no opportunity personally to discuss this matter with them. Following their return from vacation, we will contact them to determine if they wish to meet personally with a senior staff member of the Finance department to examine any aspect of this matter.

It is recommended that a copy of this report be sent to Mrs. Erling Weholm.



Howard Karras  
DIRECTOR FINANCE