

Re: WAIVER OF TAXES

MUNICIPAL MANAGER'S RECOMMENDATION:

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

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TO: MUNICIPAL MANAGER
 FROM: DIRECTOR FINANCE
 RE: WAIVER OF TAXES

1985 June 24
 File: G69-1(a)

RECOMMENDATIONS

1. THAT the 1985 taxes levied against the Riverside School, leased by the Burnaby School Board to the Kenneth Gordon School, and the Glenwood School, leased to the St. Matthews Day Care Centre, be waived.

REPORT

SUMMARY

This report recommends the waiver of 1985 taxes on two schools leased to non-profit associations by the Burnaby School Board.

BACKGROUND

1985 taxes have been levied against Burnaby School District No. 41 for two schools which have been leased by the Burnaby School Board to non-profit organizations:

Riverside School - leased to the Kenneth Gordon School

Glenwood School - leased to the St. Matthews Day Care Centre.

The properties appear on the tax roll because it is a requirement of Education (Interim) Finance Act, Section 23 (1) which states:

- "(1) Property acquired or held by a board or a municipality for school purposes is:
 (a) not subject to taxation when used in whole or in part for school purposes or when used as a residence for a teacher who is in the employ of the board,
 (b) subject to taxation when it is revenue producing and is not covered by paragraph (a)....."

The School Board becomes liable for the taxation in these two cases because the whole school is leased. If only part of the school had been leased, then the tenant would be taxed. For 1985 the Court of Revision removed all the School Board tenants from the roll but did not deal with these two schools, therefore, the two schools appear on the 1985 tax roll. The School Board has passed the tax bill onto the tenants, and now both the tenants and the Secretary-Treasurer of the School Board have requested tax relief for 1985.

REMEDY

Bill 6, which received Royal Assent on 1985 May 16, includes a transitional section which allows Council to waive 1985 taxes. It states:

"Where, in respect of the calendar year 1985, a non-profit organization is liable for the purposes referred to in section 273 (a) and (b) of the Municipal Act, to pay tax in respect of an interest of the kind referred to in section 400 (2) (c) of the Municipal Act, the municipality to which the tax is payable may waive the tax, or where the tax has been paid, may pay to the non-profit organization an amount of money equal to the tax so paid, and in a case where the municipality does so, the tax payable by the non-profit organization under Part 4 of the Education (Interim) Finance Act in respect of that interest is also waived, or where it has been paid, shall be refunded by the Minister of Finance out of the consolidated revenue fund."

The general purposed taxes levied by Council against the two properties in 1985 total \$7,687.59.

It is recommended that the 1985 taxes levied against the Riverside School, leased by the Burnaby School Board to the Kenneth Gordon School, and the Glenwood School, leased to the St. Matthews Day Care Centre, be waived.

Other

Funds to pay for the taxes waived will be taken from the operating budget Contingency account.

The two organizations have also requested tax relief for 1986. The two schools are included in the 1986 tax exemption report which is to be considered by Council on 1985 July 02.

The organizations and the School Board will be informed of Council's decision.



Howard Kadras
DIRECTOR FINANCE

cc. Secretary-Treasurer
School District No. 41