

RE: SCHOOL BOARD TAX RATE BY-LAW
(Correspondence, 1985 May 06)

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendaiton of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER
FROM: DIRECTOR FINANCE
RE: SCHOOL BOARD TAX RATE BY-LAW
(CORRESPONDENCE, 1985 MAY 06)

1985 May 03
File: S9-2

RECOMMENDATIONS

1. THAT the tax rate by-law of the Board of School Trustees, School District No. 41 - Burnaby, be returned to the Board; and
2. THAT no further tax requisition payments be made to the School Board until such time as the municipality is in receipt of a valid tax rate by-law from the School Board; and
3. THAT a copy of this report be forwarded to the Board of School Trustees.

SUMMARY

This report discusses some of the issues which flow from the School Board Budget and Tax Rate By-law which appear in the Correspondence section of the agenda.

TAX RATE BY-LAW REPORT

On the agenda under Correspondence there is a letter from the Secretary-Treasurer of School District No. 41 - Burnaby, which transmits the School Board's 1985 budget and tax rate by-law.

In view of the controversy surrounding school taxation, we have written to the Province for direction. In addition, we have asked the Ministry of Education to supply us with specific information regarding form of the by-law, content, and amount of the school budget.

According to the Ministry of Education, the School Board budget, in order to be valid, must be signed by both the Chairman of the Board and the Secretary-Treasurer. Council will note from the correspondence received from the School Board that the by-law has not been signed by the Secretary-Treasurer.

It is recommended that the Tax Rate By-law of the Board of School Trustees, School District No. 41 - Burnaby, be returned to the Board.

FUNDS REQUISITIONED

The Education (Interim) Finance Act spells out the process for paying taxes requisitioned by the School Board. Section 14(8)(9) states:

(8) The amounts requisitioned by the board in the by-law adopted under subsection (2) in respect of each constituent part of the school district shall be deemed to have been requisitioned on and from January 1 of the year for which the requisition is made, and the amounts shall be paid to the board by the municipality or municipalities or, in the case of rural areas by the Minister of Finance, as the case may be, notwithstanding that the taxes levied have not yet been collected, in equal monthly instalments commencing on or about January 15, except that the January to April instalments shall be paid by way of interim advances calculated from the instalment of the previous December, and an appropriate adjustment of these advances shall be effected in May.

(9) The municipality shall pay amounts required of it under subsection (8) from the general revenue fund of the municipality, and the taxes collected under this part in respect of the municipality shall be paid into its general revenue fund.

Under normal circumstances the next payment to the School Board would be made around May 15th, 1985. However, since it appears that we do not have a valid tax rate by-law, it is considered prudent that no further tax requisition payments be made to the School Board until such time as we are in receipt of a valid by-law.

It is recommended that no further tax requisition payments be made to the School Board until such time as the municipality is in receipt of a valid tax rate by-law from the School Board.

EFFECT ON TAX BILLING AND COLLECTION

The collection of school taxes is directly linked to the collection of municipal taxes. Section 22(2) and (3) of the Education (Interim) Finance Act apply. These sections state:

(2) The collector of each municipality or the Surveyor of Taxes, as the case may be, shall prepare and mail to each person named on the property tax roll as assessed owner in the municipality or rural area, if any, contained in the school district, a notice setting out the tax payable under Parts 3 and 4.

(3) The notices shall form part of the taxation notices for the raising of money for other purposes and separate notices shall not be prepared and rendered solely in respect of taxes for school purposes.

Therefore, school and municipal taxes cannot be billed separately.

The preparation of tax bills requires approximately 15 working days lead time between the time when the tax rates of the various rate setting bodies become known, and when the tax bills are printed and mailed. For 1985, it was intended that the tax bills be mailed by May 24th. Any delay in the finalization of the School Board tax rate by-law past May 1st requires that the mailing date be set back correspondingly.

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By by-law, 1985 taxes will be due on July 3rd. Tax bills have been printed showing that date. Any delay in finalizing the School Board tax rate will decrease the amount of lead time that the taxpayers will have between the time that they receive the tax bill and when the taxes are due. It is considered that at least one month's notice should be given to taxpayers, therefore the latest date by which this problem should be resolved is around May 10th.

FUTURE REPORTING

Because of the urgency of this problem and the need for an immediate resolution, we will keep abreast of events as they occur and present a further report to Council on May 13th.



Howard Kayras
DIRECTOR FINANCE

