

## CITY DUMPS GARBAGE (BILLS) ON STRATA CORPORATIONS

---

In June, the City of Vancouver issued tax notices for recycle services to most strata corporations in Vancouver. Depending on the size of the property, the tax notices were anywhere from \$100 (for the year 2000) to \$6,000 or higher. These taxes were payable by early July. Virtually all strata corporations have not provided for this expense in their 2000 budgets. A hundred dollars is not a big deal, although it is relatively the same for a small property as for a large property.

In February, 1999, the City issued a bulletin called the Apartment Recycling Program which stated that the charges would not apply until January, 2000. *"Starting in January of the year 2000, there will be a utility fee charged for the service, as there is now for blue box service to single-family homes. At the moment, we estimate this fee will be \$16.00 to \$18.00 per suite per year."*

This document strongly suggested that the charges would be levied against owners directly, but just to be sure most management companies, including Vancouver Condominium Services, checked with City officials. Repeatedly they were told that the charges would be added to the property taxes of individual

strata lot owners and that the strata corporations would not be charged. Based on this advice property managers (and councils of self-managed strata corporations) did not provide allowances for the expense in 2000 budgets. Now, there are big bills to pay and no budget monies.

The City, when questioned about this, has taken the position that nowhere was it said in writing that strata corporations would not be charged (a sort of negative-billing argument in reverse). The City also admits, however, that it was indeed their intent to charge individual homeowners for the service (\$16.00 to \$18.00 per year) but the legal department studied the matter carefully and, in the spring of 2000, concluded that there would be serious legal ramifications in charging the owners; thus, the strata corporations should be charged. One would think that such legal opinions and findings might have been addressed by the City prior to February, 1999 or even by the fall of 1999 but for some reason this proclamation only surfaced some five or six months after implementation of the recycle program. Quite what the legal concerns are, no one will ever know, except of course for the City bureaucrats themselves.

When I spoke to City officials and explained to them the problem that they have created, their advice was to call a general meeting of the strata owners and

issue a special levy to raise the money. Yeah right. Thanks guys, why didn't we think of that first. Have you heard of leaky condos?

Anyway, my advice to strata corporations is to pay the recycle tax. Expense it to either the garbage category on your budget; you may even have a recycle category. If you want, create a recycle category, even with a zero budget and expense it there. That way it will "jump out" at you on your financial statement and will make it easier for budget planning next year.

I do agree with City officials in one respect. They say *"What's the difference if owners pay directly or via the strata corporation? Either way it amounts to the same thing."* Yup, but there's something wrong with the thinking that goes behind that statement. Stay tuned . . . when I get a moment I'll prepare an article on how municipalities are ripping off condo owners.

Gerry Fanaken

June 26, 2000

gf20jt6