

# Mayne Island Improvement District

## HEALTH CENTRE and HELIPORT TAX

Since 2007 when the Health Centre and Heliport tax levies were implemented, the Mayne Island Improvement District (MIID) has struggled with tax collection from ratepayers.

These difficulties have resulted in several significant issues for MIID:

1. **Collection Cost:** The excessive amount of time required by MIID staff to do follow up phone calls, reminder letters and other tax collection duties impacts directly in higher operating costs – which then result in increased taxation rates.
2. **Budget Shortfalls:** Each dollar that remains uncollected by MIID is a dollar less that we can spend on the Health Centre and Heliport. This results in delayed or cancelled capital projects.
3. **Stress:** Trustees and staff have spent many long hours and late evenings dealing with delinquent tax issues. Staff and Trustees have been verbally abused – all the result of attempting to have landowners fulfill their obligation to the community.
4. **Legal costs:** This year many thousands of dollars have been spent on legal fees ensuring that the Tax Sale is conducted in a proper and legal manner. These costs relate to the fact MIID is the first Improvement District in the Province that has been forced to proceed to Tax Sale (as required under Provincial Legislation) in recent memory. As the Ministry has no precedence with their current staff for an Improvement District being forced to go to Tax Sale, MIID has had to seek guidance from our lawyers as the Ministry staff has no relevant experience.

It is perhaps this last point that needs to be highlighted. With over 300 Improvement Districts in BC, MIID is the only District that has been forced to go to Tax Sale to collect unpaid taxes in many, many years. This has caused much concern to the Trustees and staff. Collection of any type of debt is an unrewarding and stressful undertaking. When MIID is forced to pressure neighbours and friends, it takes a personal toll on all of us.

For the 2010 Tax Year, currently \$7,892 in taxation remains outstanding for the Health Centre and Heliport Tax. These facilities are critical components of the islands infrastructure; MIID is responsible for the care and upkeep of these by mandate of the Province. The tax is what pays the bills and keeps the doors open. It is difficult to imagine any taxpayer who does not respect the need for these facilities and would rather see them closed over paying the small annual tax that is levied by the Improvement District.

With regards to the Tax Sale, MIID has made extraordinary efforts to contact those who are in arrears – far, far beyond what is mandated by the legislation. The tax years that are required to go to Tax Sale are 2007 and 2008. Repeated mailings, phone calls and direct contact by the Ministry to each taxpayer was made in advance of the formal Tax Sale period.

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When the Tax Sale was enacted by bylaw, further communication was undertaken to the 18 property owners in default – again well beyond what was legally required. MIID went further to waive the additional administration costs (up to \$1,000.00) for a further week (to November 19th 2010) beyond the final payment date in an effort to collect the tax without having to go to tax sale or cause further burden on those whose taxes were in arrears. As of December 10th 2010, all but one property owner has paid their back taxes.

It is of utmost importance to stress that the Staff and Trustees of MIID do not want to go through the exercise of Tax Sale in 2011. As of December 10th 2010, 27 properties, owing a total of \$1,365 to MIID for 2009 taxes will be put forward for tax sale on July 31st 2011 if their taxes are not paid. Despite countless notices and phone calls some landowners refuse to fulfil their taxation obligations.

In 2011, there will be impacts on all taxpayers because of the few that do not pay their taxes. The Operating and Governance Budgets have had significant increases to account for the lost revenue and high collection costs. This small number of delinquent landowners is directly causing increased taxation for all landowners. In addition, the MIID will be reviewing and likely substantially increasing penalties for late payment of taxes to allow for the increasing costs.

The staff and Trustees at MIID truly regret that we have been forced to undertake a Tax Sale. The exercise has been stressful, time consuming and expensive for MIID and emotionally draining to us all. We would like to repeat the fact that the Tax Sale is not just another 'tool' for collecting delinquent taxes. By legislation, every Improvement District in British Columbia must go to Tax Sale to collect taxes more than 24 months in arrears. It is not an option, it is the law.

In our society, services are undertaken by Government and are paid for by taxes. Taxation ranges from minor amounts, such as HST on your newspaper, to large amounts such as personal income tax. It is the obligation of every taxpayer to contribute to the provision of services through taxation. In the big taxation picture, the Mayne Island Health Centre and Heliport tax is a very minor tax that results in an important and well run service being available to the community. Some of the delinquent taxes from 2007 were less than \$20.00. To date it has cost MIID close to \$1,000.00 per property to collect this minor tax from delinquent taxpayers.

Please review your payment status. If in doubt, you can contact MIID and we will confirm if your taxes are paid up to date. Phone: 250-539-5116 or Email: [miid@shaw.ca](mailto:miid@shaw.ca)

*Chair: Jim Marlon-Lambert*

*Trustees: Aaron Somerville, David Maude, Jon Hoff, Tracey DeRousie*

*Mayne Island Improvement District*