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## Strata Living

Headline: Tracking who pays?

Topics: Collections

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Written by: Tony Gioventu

**Dear Tony:** Our strata corporation currently has over \$100,000 in money owing from owners. As a council member I am very concerned that we are properly administering our accounts and hoping you have some suggestions for collections. One owner owes over \$12,000 in strata fees, an insurance deductible for a flood, and a number of fines associated with bylaws violations dating back to 2008. Our new council are questioning what all these collections relate to and why no one has done anything about them up to this point.

*Terry Z. North Vancouver*

**Dear Terry:** The collection of strata fees, special levies, and the imposition of fines and penalties for costs associated with insurance deductibles and damages all require different collection proceedings. Strata corporations may lien a strata lot that has not paid for strata fees, special levies, related interest and work orders if they have given written notice of the debt and permitted an owner at least 14 days notice before they file the lien. These charges are all known as lienable debts and are secured to protect the debts of the strata corporation. Fines, damages and insurance deductibles are in a class of debts known as claims or allegations and the strata cannot include those costs in a lien. Strata corporations may file a claim with the Civil Resolution Tribunal to collect non lienable debts, and obtain a decision for the amount that may be filed against the strata lot, once the decision is filed in the BC Supreme Court registry. The decisions and actions to collect debts are made by the strata council, at a properly convened strata council meeting and recorded in the minutes to ensure a record of the procedures and the actions of council. Strata councils that are proactive and monitor debts on a monthly basis have the lowest collections because they are proactive on collection. A good solution is a monthly or routine printout of debts

owing to enable the strata council to make decisions and take action to collect debts. The imposition of a 2 year limitation period is also a significant restriction on the ability of a strata corporation to collect money owing, and may result in the strata losing the ability to collect the funds if no action is taken. I would strongly recommend your strata corporation talk to a strata lawyer that routinely addresses collections and develop a game plan to clean up your arrears problems.