

Strata Living

Headline: Surprise Special Levies
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Dear Tony: Our strata council of three owners, has gone crazy. I opened the mail Monday and received notice of a special levy imposed for the amount of \$50,000. My share of the levy amount is \$947 and is due on March 1, 2013. The minutes of the council meeting where this resolution was passed was enclosed with the notice of the levy. The strata council has chosen to special levy the owners for an insurance deductible in the building from a January flood. There are no details as to the cause of the flood, if anyone is responsible, or if we have any way of getting our money back. What do we, the owners, do now?

Rob McKay

Dear Rob: The one time that a strata corporation may impose a special levy on the owners, without the need for a three quarters vote resolution to be passed at an annual or special general meeting, is by decision of council for an insurance deductible. The strata corporation, as a common expense, has no option other than to pay an insurance deductible. It is quite possible that your strata corporation does not have sufficient cash left in reserves, and has no choice but to execute the special levy. The strata corporation may also choose to issue the levy, rather than deplete their resources. Because this is set up as a special levy account for the purpose of the \$50,000 deductible, any recovery of this amount from

an owner, if they are responsible for the claim, would also be applied to the special levy account, and the same conditions on refunds would apply. If there is a recovery of the deductible, it would be applied to that account, and if any owner is entitled to \$100 or more, the balance owing to each owner must be refunded. Talk to your strata council. Owners may request a hearing of council to address this issue, and the council must hold a council meeting to address the hearing within 4 weeks after the request. With only 3 council members for a building of your size, it would also be advisable for more owners to get involved with council. The best solutions are from within the organization.

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