
Strata Living

Headline: Janitorial fees prompt debate on charges

Topics: User Fees

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Written by: Tony Gioventu

Dear Tony: Our strata has a janitorial service that takes care of our guest suites, club house and the elevator and lobby when people are moving in or out of the building. We have a number of different costs associated with each of these services, and the company collects the fees and makes the arrangements with the owners. A number of questions have come up at our council meetings about how the funds are held, how they are reported back to the strata council, and who decides on the rates to charge for each of these fees. Unfortunately everyone at the table has a different opinion on the rates and procedures. Could you please explain how we can charge these fees?

Rita, Pt Moody

Dear Rita: The *Strata Property Act* permits a strata to charge user fees for the use of common property or common assets. User fees must be either approved as part of the bylaws of the strata corporation, or they may be adopted in the rules of the strata.

If the strata adopts user fees in the rules, the strata council passes a new rule, and the new rule along with the user fees or changes to users fees must be first approved by the owners at a general meeting by majority vote, before they can be imposed. User fees cannot be imposed retroactively and cannot be charged by a third party, only the strata corporation is permitted to set and charge those fees.

Common user fees often relate to extra parking or storage lockers that are available, or use of a guest suite, a club house room, marina slip rentals, and fees associated with common area operations such as move in or move out expenses, keys and key fobs, and user pay systems such as laundry and user pay access to

electric vehicle charging stations. Even “damage deposits” for items such as facility use or elevators and keys are user fees.

The strata needs to ensure they have the authority to collect, hold or retain the fees in case of loss. Rules are often the most convenient way of managing user fees as they can easily be amended each year as part of the strata annual meeting or at a special general meeting, they only require a majority vote to amend, and the rules only have to be published for the owners and tenants use, and are not filed in the Land Title Registry.

A word of caution though, the collection and retention of fees on behalf of the strata corporation may only be conducted by a licensed strata management company in BC. If your janitorial service are providing this service, your strata should contact the Real Estate Council of BC or the Superintendent of Real Estate to determine if the activity is regulated. You may be permitting a contractor who is not licensed to hold and collect your funds that are not protected.