
Strata Living

Headline: Collecting a Special Levy

Topics: Special Levies

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Dear Tony: Our strata approved a project in August 2013 for painting of our townhouses. Most of the funds were taken from the contingency fund but we also had a special levy that cost each unit \$350. Two owners did not pay their levy, and now one of the units has sold and the lawyer for the seller is refusing to pay the levy citing the limitation period. The amount was only for \$350 so we didn't see the point of filing liens or courts actions or legal advice because it would have incurred more cost than the levy. Is there a better way for a strata to collect small amounts without incurring unrecoverable costs?

The Evergreen Strata Council

Dear Council Members: Collection of small amounts for special levies, fines, user fees, damages and alteration agreements is just as important as major special levies and strata fees. You are correct, the system has a minimum cost threshold making it unrealistic to go through the motions, but there are steps that can be taken that will secure the debt to avoid running out the two year limitation period. If an owner does not pay a special levy, strata fees or authorized interest, the strata may after issuing a demand notice of payment and waiting the 14 day period to expire may file a lien against the strata lot. In addition to the amount owing, the cost of the lien, including the reasonable filing and legal costs are added to the amount owing. For the owner this is a significant penalty as it would likely double the amount owing for a \$350 levy. Filing a lien does not stop the clock on the two year limitation period, but it does secure the debt as a priority.

It is essential that strata corporations maintain a monthly list of receivables and identify when they may be coming to a two year collection so the strata council can take action on the debt. It may not be feasible to make an application to Supreme Court for the sale of a

strata lot on small amounts, but the strata could make an application to Provincial Court/small claims stopping the clock on the limitation period, and to obtain a judgment which can be registered against the strata lot. Once the Civil Resolution Tribunal comes into effect later this year, strata corporations will be able to use the CRT for a decision for the debts owing which will be much quicker and a simpler process for your strata, and has the same effect as the Provincial Court action.