

March 3, 2004

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## **BRIEFING NOTE – Update Regarding Parking Fine Collection Strategies Adopted by Council in 2001**

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### **Issue:**

At its meeting held on February 18, 2004, the Budget Advisory Committee requested that the Chief Financial Officer and Treasurer provide an update on the status of requests that the City made to the Province in 2001 with respect to improving the collection of certain parking fines.

### **Background:**

- At its meeting held on March 6, 7 and 8, 2001, City Council adopted a number of recommendations regarding initiatives aimed at improving parking tag collection efforts and revenue flows. Appendix A provides a summary and status update on each of the recommendations adopted by Council in March 2001.
- Of the fourteen recommendations adopted by Council at its March 2001 meeting, all but one, related to parking tickets issued to out-of-province plates, has been implemented:

*“That the Province of Ontario’s Ministry of Transportation, be requested to negotiate data transfer and data exchange agreements with other provincial and state governments, so as to provide municipalities with name and address information of out-of-province plate owners, who remain on the default payment listing. Priority should be given to the provinces of Quebec and B.C. and the states of New York and Michigan which account for more than 50% of all out of province tags issued.”*

- Appendix B, attached, provides background information on the aforementioned recommendation as contained in the report (February 1, 2001) from the Chief Financial Officer and Treasurer to Administration Committee, approved by Council at its meeting held on March 6, 7 and 8, 2001.

### **Key Points:**

- Staff have discussed the issue of negotiating inter-provincial and cross-border information sharing agreements with the Ministry of Transportation, however, to-

date the Ministry has not provided notification that they intend to proceed with negotiating agreements with other jurisdictions.

- However, further investigation with other municipalities has revealed that the City may be in a position to establish its own independent “requestor agreement” with various Provincial and State governments. For example, the City of Ottawa has agreements with Hull, Quebec, Niagara Falls, Ontario and Niagara Falls, New York. Staff are pursuing this initiative in an effort to determine feasibility, costs, and the complexity of arranging and maintaining such agreements.
- Staff will continue to explore the option of negotiating its own independent “requestor agreements” with Provincial and State governments, and will report out to Committee and Council on findings in the fall of 2004.

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**Dated:** March 3, 2004

## Appendix A

### Status of Recommendations Adopted by Council at its March 2001 meeting regarding Parking Tag Collection Strategies

Appendix A : Status Update	
Recommendations Adopted by Council at it Meeting held March 6, 7 and 8, 2001	Update / Status
Out-of-Province Tags:	
1. The Province of Ontario's Ministry of Transportation, be requested to negotiate data transfer and data exchange agreements with other provincial and state governments, so as to provide municipalities with name and address information of out-of-province plate owners, who remain on the default payment listing. Priority should be given to the provinces of Quebec and B.C. and the states of New York and Michigan, which account for more than 50% of all out of province tags issued.	Staff have discussed the issue of negotiating inter-provincial and cross-border information sharing agreements with the Ministry of Transportation, however, to-date the Ministry has not provided notification that they intend to proceed with negotiating agreements with other jurisdictions. However, further investigation with other municipalities has revealed that the City may be in a position to establish its own, independent "requestor agreement" with various Provincial and State governments.  Staff will continue to explore this option and will report out to Committee and Council on its findings.
Plate Denial	
2. The Province of Ontario be requested to amend provincial legislation to provide for plate denial of all plates owned by an individual with parking fines in default and/or provide for driver's license denial for individuals with outstanding parking fines.	Approximately two years ago, the Ministry of Transportation implemented a new policy/procedure that ensures plate denial of all plates owned by an individual with parking fines in default.
Collection Agencies	
3. The Province of Ontario's Ministry of Transportation, be requested to provide the City with pertinent information, as requested, such as infraction date, conviction date, and account activity, to determine ease of collection and to assist City staff in determining which fines to pursue first;	Upon further review and discussions with the Province, it was determined that even if this information was provided by the Province, the City's Licensing Agreement with the Province prohibits the City from sharing the information with any third party including collection agencies. The City's collection agency was provided solely with the license plate information, excluding the ownership or registered address. They were subsequently required to obtain their own ownership and address information, for which they were charged a fee and were then able to pursue the offenders with outstanding parking fines.
4. The Province be requested to amend the <i>Provincial Offences Act</i> to allow the City to use the notification of a credit bureau (also known as consumer reporting agency) as a tool to assist in the collection of outstanding/defaulted parking fines;	Follow-up with the City Solicitor's office revealed that even if the <i>Provincial Offences Act</i> was amended, the City would be in violation of the Municipal Freedom of Information and Protection of Privacy Act if it were to notify a credit bureau of the outstanding fines.
5. Council approve the use of collection agencies to assist in the collection of outstanding parking fines as a one-year pilot project, and that staff be authorized to issue a Request for Proposal for this service and report back with the results of the pilot	This recommendation was implemented. A one- year pilot project using a collection agency to collection upon outstanding parking fines has recently been completed and staff will be reporting to Administration Committee on the experience with the pilot in May/June 2004.

<b>Appendix A : Status Update</b>	
<b>Recommendations Adopted by Council at it Meeting held March 6, 7 and 8, 2001</b>	<b>Update / Status</b>
<p>project;</p> <p>6. City staff be authorized to meet with representatives from the Ministry of Transportation to negotiate and draft the required agreement to be signed by the collection agency(s) that the City may use in the collection of outstanding parking fines.</p>	<p>City staff met with Ministry of Transportation staff and were advised that an agreement was not required, provided that the City did not share any personal information with the Collection Agency. The City's collection agency was provided solely with the license plate information, which is not deemed personal information and not in violation of the Requestor Agreement or MFIPPA.</p>
<p>Fire Route Offences</p> <p>7. Council endorse increasing the set fine amount for Fire Route offences from \$30.00 to \$100.00 in order to bring the set fine amount for Fire Route offences for the City into line with other municipalities in the Greater Toronto Area and Ontario and that an application be made to the Senior Regional Judge in order to increase the set fine amount for Fire Route offences from \$30.00 to \$100.00.</p>	<p>Following the approval by the Senior Regional Justice, staff implemented the increase to the Fire Route fines in December 2001.</p>
<p>IVR User Fee</p> <p>8. Council approve the establishment of a by-law to implement a cost recovery charge on the Interactive Voice Response (IVR) telephone payment system to recover costs incurred by the City for the use of this service;</p> <p>9. The fee on the Interactive Voice Response (IVR) be set at \$1.00 per transaction and, that the Chief Financial Officer and Treasurer be authorized to review the fee on an annual basis and recommend changes as necessary.</p>	<p>The required by-law establishing a charge of \$1.00 per Interactive Voice Response (IVR) transaction was adopted by Council at its meeting held on March 6, 7 &amp; 8, 2001 and the charge was implemented effective March 19, 2001.</p> <p>The City recovers approximately \$600,000 annually.</p>
<p>Screen Prints &amp; Photocopies - User Fee</p> <p>10. Council approve the establishment of a by-law, permitting the Finance Department, Parking Tag Operations Unit, to implement a fee for the production of screen prints and photocopies when requested by the public;</p> <p>11. The fee for the production of screen prints and photocopies be set at \$1.00 per page, which is consistent with the fees charged by the Ministry of the Attorney General for the same service, and that the Chief Financial Officer and Treasurer be authorized to review the fee on an annual basis and recommend changes as necessary.</p>	<p>The required by-law establishing a charge of \$1.00 per page for the production of screen prints and photocopies was adopted by Council at its meeting held on March 6, 7 &amp; 8, 2001 and the charge was implemented effective March 19, 2001.</p> <p>The City recovers approximately \$100,000 annually.</p>
<p><b>NSF Charge</b></p> <p>12. The Finance Department, Parking Tag Operations</p>	<p>The dishonoured cheque charge was implemented on</p>

<b>Appendix A : Status Update</b>	
<b>Recommendations Adopted by Council at it Meeting held March 6, 7 and 8, 2001</b>	<b>Update / Status</b>
<p>Unit, be authorized to institute a charge for dishonoured cheques (i.e. NSF cheques) as permitted in the <i>Provincial Offences Act</i>;</p> <p>13. The charge for dishonoured cheques be set at \$25.00 per cheque, consistent with other City Departments and as authorized by the <i>Provincial Offences Act</i>; and that this charge be amended by the Chief Financial Officer and Treasurer as the Act is updated.</p>	<p>September 4<sup>th</sup>, 2001. This new charge generates approximately \$12,000.00 annually.</p> <p>Upon further review of the legislation, Legal Services advised that section 68.1 of the <i>Provincial Offences Act</i> requires that municipalities charge a statutory fee of \$35 for dishonoured cheques. This fee was implemented in September 2001.</p>
<p><b>Courtesy Envelopes</b></p> <p>14. The City Auditor, in consultation with the Chief General Manager of the Toronto Parking Authority and the Chief of Police, review the practice of issuing courtesy envelopes to illegally parked vehicles on Toronto Parking Authority lots and be directed to report to submit a report to the Administration Committee, through the Board of Directors of the Toronto Parking Authority, on the feasibility of replacing courtesy envelopes with City of Toronto Parking Infraction Notices, when conducting parking enforcement on Toronto Parking Authority lots.</p>	<p>This review was completed by the City Auditor and a report dated May 14, 2002 was submitted to the Toronto Parking Authority Board for review. The above noted report along with a response from the Toronto Parking Authority was submitted to the Administration Committee on November 5<sup>th</sup>, 2002.</p> <p>At its meeting held on November 26, 27 and 28, 2002, City Council gave consideration to a report October 25<sup>th</sup>, 2002 from the President, Toronto Parking Authority which included the City Auditor's findings and a response by the Toronto Parking Authority (re: Clause No. 31 contained in Report No. 14 of the Administration Committee, headed "Review of the Toronto Parking Authority Courtesy Envelope Program"). In its consideration of this matter, Council adopted a recommendation directing that the courtesy envelope program administered by the Toronto Parking Authority be modified such that customers on unattended lots are issued one courtesy envelope for their first parking violation and a parking infraction notice for all subsequent offences, within a 12 month period (from the time the first courtesy envelope is issued), regardless of whether the courtesy envelope issued is paid.</p>

## Appendix B

Excerpt from the February 1, 2001 report from the Chief Financial Officer and Treasurer to Administration Committee entitled  
“Parking Tag Fine Collection Strategy”

### *Out of Province Tags*

Each year approximately 75,000 parking tags are issued to vehicles with plates issued by jurisdictions outside of Ontario. A relatively small percentage of offenders pay the fine, with the remainder ignoring the ticket. No further action is taken on those tickets. Table 2 shows the breakdown of out-of-province tickets issued by jurisdiction. An analysis of the out-of-province tags shows that many tags are “one-offs”, that is, issued only once to a plate. These are likely visitors who are simply passing through. However, approximately 5% of all out-of-Province plates have more than one parking tag outstanding.

TABLE 2: Tags Issued to Out of Province Vehicles – 1999

Province/State	Number of Tags	% of Total Issued	Number Paid	Number of Unpaid Tags
QUEBEC	19,434	26.0%	4,023	15,411
NEW YORK	8,023	10.7%	1,661	6,362
BRITISH COLUMBIA	6,324	8.4%	1,309	5,015
MICHIGAN	4,997	6.7%	1,034	3,963
ALBERTA	3,358	4.5%	695	2,663
NOVA SCOTIA	3,180	4.2%	658	2,522
FLORIDA	2,334	3.1%	483	1,851
OHIO	2,160	2.8%	447	1,713
ILLINOIS	2,104	2.8%	436	1,668
MASSACHUSETTS	1,724	2.3%	357	1,367
NEW BRUNSWICK	1,635	2.1%	338	1,297
CALIFORNIA	1,608	2.1%	333	1,275
NEW JERSEY	1,490	1.9%	308	1,182
PENNSYLVANIA	1,522	2.0%	315	1,207
SASKATCHEWAN	1,453	1.9%	301	1,152
ALABAMA	1,234	1.6%	255	979
TEXAS	1,053	1.4%	218	835
NEWFOUNDLAND	922	1.2%	191	731
MINNESOTA	970	1.3%	201	769
MANITOBA	866	1.1%	179	687
Other Jurisdictions	8,141	10.9%	1685	6,456
<b>Tags issued to CDN plates</b>	<b>37,172</b>	<b>49.9%</b>	<b>7,694</b>	<b>29,478</b>
<b>Tags issued to US plates</b>	<b>37,360</b>	<b>50.1%</b>	<b>7,733</b>	<b>29,627</b>
<b>Total Out of Province Tags</b>	<b>74,532</b>	<b>100.00%</b>	<b>15,427</b>	<b>59,105</b>

## **Appendix B (continued)**

In 1999, the 75,000 out-of-province tags represented 2.9 percent of the 2.546 million tags that were issued. The City normally expects to collect fines on approximately 80 percent of the total tags issued, but collected fines on only 20 percent of the out-of-province tags issued (as shown by Table 2). Approximately 50% of the out-of-Province tags are issued to Canadian vehicles, which may be easier to pursue. This collection rate could be improved if the name and address of the plate-holder could be obtained from the respective provincial and state jurisdiction, and used for collection purposes.

The cost of collection, subsequent revenue and the impact on tourist relations must be considered before implementing any collection activities aimed at non-Ontario vehicles. However, the City should request assistance from the Province of Ontario to negotiate the transfer of plate ownership information from other provincial and state jurisdictions. Based on collection industry estimates, the 75,000 tags issued to out-of-province vehicles could be pursued, following non-payment and “conviction” and fine, by mailing notices from a collection agency.

The estimated cost to the City for this exercise is the normal processing costs to bring a ticket to “conviction” and fine, and a 20 per cent commission, payable to the collection agency. Based on an estimated 8 per cent collection rate of the total out-of-Province tags, resulting revenues could generate an additional \$110,000 annually for the City. Section (3) of this report addresses the use of collection agencies for outstanding parking fines.

To enhance the City’s collection rate on out-of-province tags, the Province of Ontario’s Ministry of Transportation should be requested to negotiate data transfer and data exchange agreements with other provincial and state governments, so as to provide municipalities with name and address information of out-of-province plate owners. Priority should be given to the provinces of Quebec and British Columbia and the states of New York and Michigan, which account for more than 50% of all out-of-Province tags issued.