

Staff Report 2023-0191

Meeting Date: April 4, 2023

Subject: Proposed Surcharge Fee for POA Tickets

Submitted By: Alexis Alyea, Town Solicitor and Manager of Legal and Court Services, Corporate Services

RECOMMENDATION

That a by-law be enacted to amend the 2023 Fees and Charges By-law to add a \$5.00 surcharge for provincial offences act tickets as outlined in Schedule A to Staff Report 2023-0191.

REPORT HIGHLIGHTS

- There have been an increased number of Provincial Offences Act (POA) tickets being paid at the Town's courthouse service counters that were issued in municipalities outside of the Caledon/ Dufferin borders to non-Caledon or non-Dufferin County residents.
- When tickets are paid by card (as opposed to cash payments), the Town incurs a bank service fee. The costs of these bank service fees are not being recovered as the legislation requires that 100% of the proceeds of the ticket be paid to the municipality in which the ticket was issued (except for the Victim Surcharge Fee, which is paid to the Province).
- Caledon is therefore subsidizing the payments of tickets issued by other municipalities by the amounts of the bank service fee.
- Staff propose that the Fees Bylaw be amended to include a \$5.00 surcharge for tickets being paid (1) using a card, and where the ticket is neither (2) issued in Caledon or Dufferin County, or (3) issued to a Caledon or Dufferin County resident.

DISCUSSION

The purpose of this report is to propose a \$5.00 surcharge for tickets being paid using a payment card i.e. credit card, and where the ticket is neither issued in Caledon or Dufferin County, or issued to a Caledon or Dufferin County resident.

Background

All municipal courthouses in Ontario are required to provide counter service where Provincial Offences Act (POA) tickets, such as traffic tickets issued under the Highway Traffic Act, can be paid. Currently, Caledon offers two in-person service counters at the two courthouses it operates for Caledon and on behalf of Dufferin County (located in Caledon East and Orangeville). In addition to in-person payment services, Caledon also offers payment over the phone as well as online, through a province-wide website (paytickets.ca).

Under the legislation, all municipal courts in Ontario can receive ticket payments from across the province and transfer funds amongst themselves in accordance with legislation. For example, if a resident of Caledon receives a ticket while they are travelling through Sudbury, they can pay their ticket, issued in Sudbury, when they return home to Caledon at the local courthouse.

The legislation dictates that the proceeds of the ticket must be paid to the municipality in which the ticket was issued. Therefore, in that example, Caledon would transfer the proceeds of the ticket to Sudbury. Similarly, if a Toronto resident was issued a ticket on Caledon's roads, they could pay their ticket in Toronto and Toronto would then forward the proceeds of the ticket to Caledon. This ensures that the proceeds of the tickets are going to the municipalities in whose jurisdiction the offence was committed.

Ticket proceeds are made up of: (1) the fine amount levied by the Court (or set out in the legislation) for the particular offence; (2) the Victim Surcharge Fee (VSF) (which contributes to a provincial fund to assist victims of crimes); and (3) a \$5.00 Notice of Service processing fee. The VSF is paid to the Province, while the remainder is remitted to the municipality in which the ticket was issued. As a result, in the example where the ticket was issued in Sudbury to the Caledon resident and paid in Caledon, the Town would remit both the (1) fine amount, and (2) the Notice of Service processing fee, to Sudbury.

Caledon's service counters are located in smaller courthouses in close proximity to much larger urban centres with correspondingly much busier court service counters. The wait times at the service counters are very minimal to non-existent, with excellent, convenient customer service. Caledon's service counters are often a preferred payment avenue, even for non-Caledon or Dufferin County residents. Post-pandemic, Caledon has seen a substantial increase in activity for its payment services by non-Caledon or Dufferin County residents, especially by those in the paralegal/defense agent community. For example, in 2023 alone, court staff have processed over 350 payments for extra-jurisdictional tickets for non-Caledon or Dufferin County residents, via card payments with varying processing fees based on each card type.

Proposed Surcharge Processing Fee

The substantial increase in demand for its payment services has resulted in a corresponding increase in card payment banking fees. These card payment banking fees are often a percentage of the value of the transaction — that is, the higher the transaction amount, the higher the bank service fee. Currently, Caledon does not charge a surcharge for payments made by card. Staff propose the Fees By-law be amended to include a \$5.00 surcharge fee for payments made by card. Staff propose that \$5.00 is an appropriate approximation of the cost to the Town and it is in line with the Notice of Service processing fee already otherwise required by statute.

The surcharge is proposed to only apply to tickets neither issued in Caledon or Dufferin County, nor issued to Caledon or Dufferin County residents, and only where payment is made by card and therefore subject to a bank service fee.

FINANCIAL IMPLICATIONS

In the event staff's recommendation is not approved, the Town will continue to pay the card payment service fees, which will come out of Town revenue. In the event the recommendation is approved, a \$5.00 surcharge will be applied to the applicable transactions and that fee will offset the loss incurred from payment processing.

COUNCIL WORK PLAN

Subject matter is not relevant to the Council Workplan.

ATTACHMENTS

Schedule A: Proposed Schedule F to Fees By-law.