MCMA – POA Collections Committee Best Practices – Tax Rolling – Same Municipality - Lower & Single Tier

BACKGROUND:

Effective June 15, 2010 Section 441.1 of the *Municipal Act, 2001* and Section 381.1 of the *City of Toronto Act, 2006* have been amended to enable the Treasurer of a local municipality to add any part of an unpaid POA fine that is in default under s.69 of the POA Act to the tax roll for any property in the local municipality for which all of the owners are responsible for paying the fine and collect it in the same manner as municipal taxes.

DEFINITIONS & ACRONYMS:

POA	Provincial Offences Act
CAMS	Court Administration Management System
TXM	Tax Manager System
ICON	Integrated Court Offenses Network
DF	Defaulted Fine
SS	Suspension Signed
SI	Suspension Issued
PR	Plate Denial
PI	Parking Infraction
IFCR	Icon Financial Case Cash Receipts
MPAC	Municipal Property Assessment Corporation
MAG	Ministry of Attorney General

PROCEDURE:

This procedure applies to POA fines that are added to the tax roll in the same municipality where the fine has been issued. (Lower and Single Tier Municipalities*)

- The POA fine is identified as eligible for addition to the tax roll.
- Eligibility of the fine is done through skip tracing processes and utilizing various tools such as TXM, MPAC, GeoWarehouse, Teranet.

** "Lower Tier Municipality" means a municipality that forms part of an upper tier municipality for municipal purposes. City of Brampton, City of Mississauga are example of Lower-Tier municipalities. "Single-Tier Municipality" means a municipality that does not form part of an "upper-tier" municipality for municipal purpose. City of Hamilton is an example of Single Tier municipality.*

- Eligibility of the fine can also be done through electronic matching of collection system data base (CAMS) or MAG monthly file against MPAC data base or tax system data base which contain municipal roll numbers and property owner's information. It is recommended that you speak with your IT department for the implementation of this method as it requires scrubbing of data within different databases.

To start the process, the fine needs to meet the following criteria:

- Account is in default – Enforcement code in ICON and CAMS (DF) (SS) (SI) (PR) or (PI).
- The person to whom the fine has been issued is the same person and sole owner of the property to which the fine will be added. Verification of ownership of the property to be done in accordance to policy and procedure of your own municipality (i.e. utilization of MPAC, GeoWarehouse, Teranet, tax system, etc).

Before addition to the tax roll you may want to also consider the following:

- Collection (Overdue, Final) Notices have been sent.
- A Writ of Seizure and Sale against the name of the person owing the fine and owner of the property has been filed in the Sheriff's Office where the property is located. Although the filing of the writ is not a legislated requirement, the writ may protect the recovery of the fine in case of a tax sale of the property, because POA fines don't have priority lien status. Please consult with your internal legal department regarding filing a writ before addition of the fine to the tax roll.

Before the fine is added to the tax roll you may require obtaining management approvals in accordance to the policies and procedures of your own municipality (i.e. Manager, Director, Treasurer).

The form in Appendix A is a sample of "Management Approval" before addition to the tax roll.

Final Demand Letter

Upon receipt of the appropriate approval from management a final demand letter may be sent to the debtor giving 10 working days from the date of the letter to pay the fine in full or make a suitable payment arrangement. This letter ensures that the debtor is fully aware of the impending addition of the POA fine to the tax roll and it may avoid disputes later on in the process. The letter may result in payment or a suitable payment arrangement from the debtor and it avoids the addition of the fine to the tax roll.

The letter in Appendix B is a sample of final demand letter.

Adding the POA Fine to the Tax Roll

If the fine remains unpaid after 10 working days from the date of the final demand letter and there is no payment arrangement in place, the fine will be forwarded to the tax department for addition to the tax roll. The request to add the fine to the tax roll may include the following:

- A copy of the Management's Approval form.
- A copy of the ICON screen IFCR showing the amount of the fine owing on the date the fine is added.
- Or any other documentation required by your own municipality.

Once the charges are added into the tax system a note is inserted in the Collection system indicating that the fine has been added to the tax roll.

You may consider creating a specific process within your collection database to identify and follow-up on the fines that have been added to the tax roll.

For example, for municipalities using the CAMS system you can create an administration code such as "T: Added to the tax roll". Once a fine is added to the tax roll the "T" administration code will be assigned to the fine. This will ensure that fines added to the tax roll are readily identified on the main inquiry screen and that ad hoc inventory reports can be produced.

Once a fine is added to the tax roll, the tax system will assign a due date to the charge of the POA fine. The due date is typically 30 days (although it can be set up to any other time frame). A notification of added charges is produced in the tax system and it will be mailed to the property owner or to the Financial Institution registered to pay the property taxes, informing them of the added charge, of the amount and due date.

Payment of the POA Fine:

Payment of fines added to the tax roll can happen in the tax system or in ICON as the fine is outstanding in both systems.

POA fines added to the tax roll are subject to the payment application rules of property taxes: Payment is first applied against late penalties charges owing in respect of those taxes according to the length of time the charges have been owing, with charges imposed earlier being discharges before charges imposed later.

Payment through the Tax System:

Periodically a report is run in the tax system to identify any payments made to the tax roll for fines added to the tax roll. This report can be run daily, weekly or monthly depending on how often you want the payments to be reported back in ICON. You need to talk to your tax department for the type of report that will identify such payments.

Once the report is run and the payments are identified, notification of the payment is transmitted from the tax department to the collection department. The payment, with support back up documentation, is processed in ICON via Credit Memo as the money is already in the City bank account (being received by the tax department).

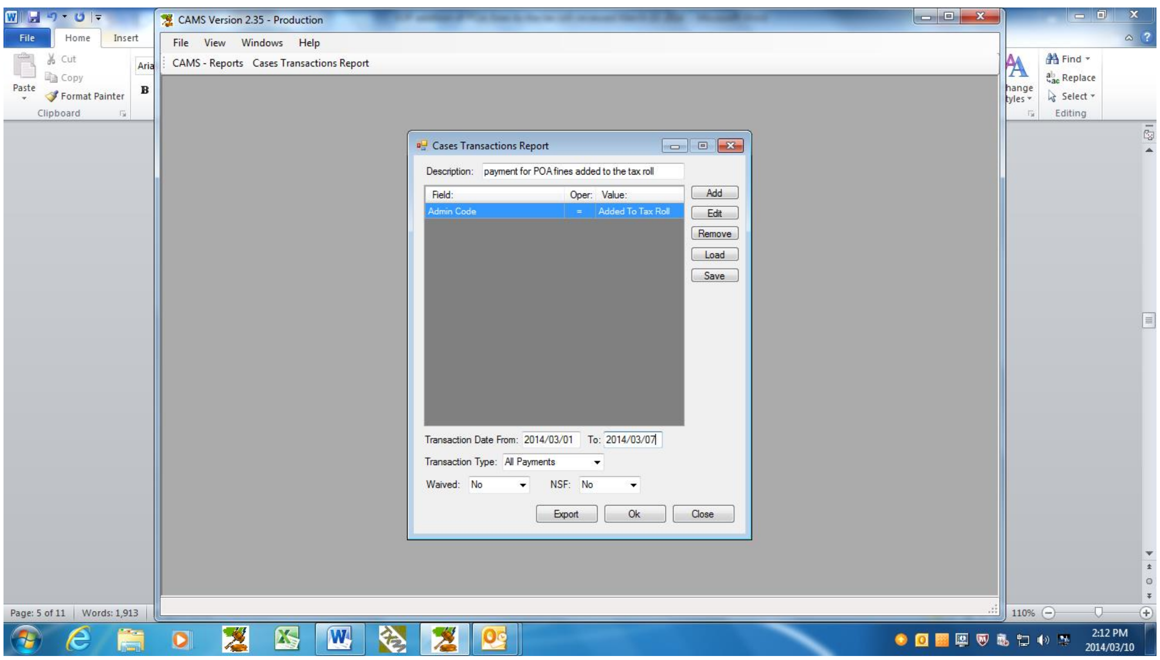
Payment through ICON:

Periodically a report is also run in the Collection system to identify any payment for fines that have been added to the tax roll that could have been paid in ICON (instead of the Tax system).

For municipalities utilizing the CAMS system the report can be run in the case transaction module selecting the following criteria:

- Administration code is equal = T (added to the tax roll)
- Transaction date "from _________to ___________"
- Transaction type "all payments"

Sample of criteria to run report in the CAMS system



This report will provide information on any payment that was posted in CAMS for fines that were added to the tax roll. This report must be cross-checked with the report run in the tax system and only fines that are not in the tax system report are deemed to be paid directly in ICON.
Once such payments are identified, notification to remove the fine from the tax system needs to be provided to the tax department. Similarly, to the process for addition of the POA fines to the tax roll, you may require authorization from various level of management to remove the fine from the tax roll.

Removal of POA fines from the tax roll due to extensions, appeals and re-opening.

Extensions, Appeals and Re-openings:

If an enforcement code is removed from ICON due to an extension, appeal or re-opening the POA fine must be removed from the tax system.

The POA Collector through review of the RICO report 4017 identifies the POA fines where the enforcement code has been removed as a result of an extension, appeal or re-opening.

An adjustment form, together with the backup documentation confirming the removal of the enforcement code from the fine, is forwarded to the tax department for the fine to be reversed from the tax system.

A management approval form may also be required for the removal of the fine from the tax roll.

Similar to the process for addition of the POA fine to the tax roll, you may require authorization from various levels of management to remove the fine from the tax roll.

APPENDIX A

MANAGEMENT'S APPROVAL FOR POA FINE(S) TO BE ADDED TO TAX ROLL

Date: **POA Collector:**
Debtor:

Property Address:

Tax Roll #

Date of Fine	Offence#	Amount	Date Overdue Notice Mailed	Date Final Notice Mailed	Writ#	Date Writ Filed
	TOTAL OUTSTANDING					

☐ Title Search — Date Completed: ____________

☐ Sole Ownership confirmed

Manager's approval to add the above POA fine to the tax roll — Date: ____________ Signature: ____________

Treasurer's approval to add the above POA fine to the tax roll — Date: ____________ Signature: ____________

☐ Demand letter mailed — Date Completed: ____________
Final date given in demand letter: — Final Date: ____________
To be 10 working days from date of letter

☐ Charge Added to TXM — Date: ____________

Comments:

NSF Charges

Date	Amount	Signatures	Date

APPENDIX B

Final Demand Letter before addition to the Tax Roll

«Joe Smith
«A1234 Main Street
«AdBrampton, Ontario
«CitL6Y 4R2»

Re: FINAL DEMAND LETTER
Before Addition of Unpaid Provincial Offences Fine(s) to the Tax Roll
Tax roll # 10-«Tax10-09-0-200-55555-0000» – Property location: 1234 Main Street - Brampton

Offence Number	**Amount Outstanding**
3160-999-09-1844-00	**15,270.00**
3160-999-00-88022734-00	**500.00**
«Offence_3»	**«Amount_3»**
«Offence_4»	**«Amount_4»**
«Offence_5»	**«Amount_5»**
Total Outstanding	**$15,750.00**

The above noted Provincial Offences fine(s) are in default and remain outstanding.

In an attempt to collect payment of the above fine(s), the City of Brampton has sent you an Overdue Notice («Date_of_Overdue_Notice_») and a Final Notice («Date_of_Final_Notice»). Following these notices, the fine(s) remained unpaid, which resulted in the City of Brampton proceeding with civil enforcement. On «Writ_Date» a writ of seizure and sale was filed in the Regional Municipality of Peel Superior Court against your name (File # «Court_File_»).

Please be advised that the City of Brampton will add the outstanding amount of the fine(s) plus an administration fee to the Tax Roll of your property located at **«Property_Location» in Brampton, Tax Roll # 10-«Tax_Roll_»,** if payment in full or a payment arrangement is not received by **«Last_date_to_pay».** Outstanding fines transferred to the tax roll are subject to interest charges at the rate of 1.25% per month or 15% per year.

DISCLAIMER:

"The information provided is the interpretation of the members of the POA Collections Committee and do not necessarily reflect the opinions of MCMA. Any person relying on the information contained herein is doing so at his/her own risk and is advised to seek direction from his/her Municipality.

The MCMA does not endorse the use of any product or service. The information contained in the Best Practices procedures is provided as a reference tool to aid in the development of procedures in compliance with all applicable legislation. While every reasonable effort is made to ensure the information provided herein is accurate, there are no representations made with respect to the currency, accuracy or legality of the information. Due diligence should be performed when developing procedures."

Log of Changes

Date	Specific Change	Editor	Reason
May 10, 2019		Linda Beaver	Add to MCMA Template