



## STAFF REPORT ACTION REQUIRED

### Ontario Association of Police Services Boards – White Paper: Provincial Offences Act – Unpaid Fines a Billion Dollar Problem

<b>Date:</b>	January 13, 2012
<b>To:</b>	Executive Committee, City of Toronto
<b>From:</b>	Alok Mukherjee, Chair, Toronto Police Services Board

#### **SUMMARY**

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The purpose of this report is to provide the Executive Committee with the Ontario Association of Police Services Board's (OAPSB) White Paper entitled "*Provincial Offences Act – Unpaid Fines A Billion Dollar Problem.*"

#### **RECOMMENDATION**

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It is recommended that the Executive Committee write to the Government of Ontario and ask it to consider the issues identified in the White Paper.

#### **FINANCIAL IMPACT**

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There are no financial implications related to the receipt of this report.

#### **ISSUE BACKGROUND**

At its meeting of November 24, 2011, the Toronto Police Services Board ('the Board') was in receipt of a report dated November 10, 2011 with respect to the OAPSB's – White Paper entitled "*Provincial Offences Act – Unpaid Fines A Billion Dollar Problem.*"

#### **COMMENTS**

The Board received the foregoing report and approved the following Motion:

THAT the Board request the City of Toronto - Executive Committee to write to the Government of Ontario and ask it to consider the issues identified in the White Paper, namely:

- provide better data for better decision-making;
- improve inter-ministry collaboration and information sharing;
- embrace stakeholders, by holding regular discussion forums and acting on their suggestions;
- allow courts to assess ability to pay, and offer alternative sentences;
- provide better “customer” service to those persons paying fines;
- provide more “carrots and sticks”, including discounts for early fine payment, stiffer late penalties, and payments in accordance with the chronological order of sentencing;
- help municipalities to follow up on outstanding fines; and
- institute stronger, meaningful collection sanctions for fine defaulters, including broader driver’s licence and licence plate denial, vehicle impoundment, and garnishment of income tax refunds.

## **CONCLUSION**

A copy of Board Minute No. P283/11, in the form attached as Appendix “A” to this report, regarding this matter is provided for information.

The full White Paper is available on the OAPSB’s website [www.oapsb.ca](http://www.oapsb.ca).

## **CONTACT**

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Toronto Police Services Board  
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## **SIGNATURE**

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Alok Mukherjee  
Chair, Toronto Police Services Board

## **ATTACHMENT**

Appendix A – Board Minute No. P283/11

a: oapsb white paper.doc

Staff report for action on OAPSB White Paper

## Appendix “A”

### THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON NOVEMBER 24, 2011

**#P283. ONTARIO ASSOCIATION OF POLICE SERVICES BOARDS – WHITE PAPER: PROVINCIAL OFFENCES ACT – UNPAID FINES A BILLION DOLLAR PROBLEM**

The Board was in receipt of the following report November 10, 2011 from Alok Mukherjee, Chair:

Subject: OAPSB WHITE PAPER: PROVINCIAL OFFENCES ACT - UNPAID FINES A BILLION DOLLAR PROBLEM

Recommendation:

It is recommended that the Board receive this report and forward a copy to the City of Toronto Executive Committee for consideration.

Financial Implications:

There are no financial implications relating to the recommendation contained in this report.

Background/Purpose:

At the behest of former Minister of Community Safety and Correctional Services Rick Bartolucci, and with the endorsement of former Attorney General Chris Bentley, the Ontario Association of Police Services Boards (OAPSB) prepared a whitepaper on the issue of unpaid Provincial Offences Act (POA) fines.

The resulting white paper entitled “Provincial Offences Act – Unpaid Fines A Billion Dollar Problem,” is the culmination of more than sixteen months of research and extensive stakeholder consultations which included participation by Mr. Barry Randell, President, Municipal Court Managers’ Association of Ontario and Director, Court Services City of Toronto.

Discussion:

The white paper provides a detailed overview of the issue, a breakdown of outstanding fines by region, reasons for growth in unpaid fines, progress made to date to address the issue, remaining challenges faced by the government and concludes by making eight key recommendations the government can institute to address the issue.

Some of the key discussions include the fact that unpaid POA fines in Ontario total over \$1 billion, and that the number continues to grow exponentially. Further, that unpaid POA fines is a complex problem comprising a broad range of offences, a broad range of penalties, a large and diverse number of defaulters, a broad range of stakeholders, and a broad range of collection successes by jurisdiction. Finally, that although unpaid POA is not a Toronto centric problem, or just an urban one, in 2009 alone Toronto courts were owed the most at \$36M.

The OAPSB asserts that the inability to collect outstanding POA fines has serious detrimental impact on municipal finances, and impacts the quality of life of all Ontarians. Furthermore, governments and ministries continue to operate in silos, missing opportunities to pursue more effective information sharing and collaboration.

A copy of the backgrounder and the executive summary is attached to this report for information. The full white paper is available from the OAPSB's website at [www.oapSB.ca](http://www.oapSB.ca).

Conclusion:

It is recommended that the Board receive this report and forward a copy to the City of Toronto Executive Committee for consideration.

**The Board received the foregoing report and approved the following Motion:**

**THAT the Board request the City of Toronto - Executive Committee to write to the Government of Ontario and ask it to consider the issues identified in the White Paper, namely:**

- **provide better data for better decision-making;**
- **improve inter-ministry collaboration and information sharing;**
- **embrace stakeholders, by holding regular discussion forums and acting on their suggestions;**
- **allow courts to assess ability to pay, and offer alternative sentences;**
- **provide better “customer” service to those persons paying fines;**
- **provide more “carrots and sticks”, including discounts for early fine payment, stiffer late penalties, and payments in accordance with the chronological order of sentencing;**
- **help municipalities to follow up on outstanding fines; and**
- **institute stronger, meaningful collection sanctions for fine defaulters, including broader driver's licence and licence plate denial, vehicle impoundment, and garnishment of income tax refunds.**



## A Billion Dollar Problem: OAPSB Releases White Paper on Unpaid Fines

### BACKGROUND

November 9, 2011

- On November 9, 2011The Ontario Association of Police Services Boards (OAPSB), the voice of civilian governance of policing in Ontario, released a white paper outlining recommendations to tackle the billion-dollar—and growing—problem of unpaid *Provincial Offences Act (POA)* fines. The full white paper is posted at [www.oapSB.ca](http://www.oapSB.ca).
- In 2010, former Minister of Community Safety and Correctional Services Rick Bartolucci requested that the OAPSB prepare this paper – a request that was endorsed by former Attorney General Chris Bentley. The resulting paper is the product of more than a year of research and extensive stakeholder consultations.
- *Provincial Offences Act (POA)* offences are non-criminal offences, which are normally punishable with an out-of-court fine. Charges are usually laid by police. While none of these offences are considered “criminal,” many—such as careless driving or possessing an invalid or false insurance card—are quite serious and can have concrete impacts on individual and community safety.
- Unpaid *Provincial Offences Act (POA)* fines are a billion-dollar problem, and the numbers are growing exponentially. Approximately one-third of all POA fines are not paid. As of July 2010, the last year for which statistics are available, there were nearly 2.5 million unpaid POA fines<sup>1</sup> totalling close to \$1 billion, owed largely to Ontario municipalities. That number has grown, and outstanding fines now total more than \$1 billion.
- The enormous magnitude of this delinquency undermines public safety, the rule of law, and accountability. It clearly also has significant financial impact on municipalities. Due to historically weak penalties and ineffective collection methods, many offenders who choose not to pay their fines have never been held to account.
- These problems are not new. Municipalities, courts, law enforcement agencies, and other stakeholders have been advocating for decisive action for many years. The persistent problem of unpaid POA fines undermines the justice system, frustrates law enforcement officers and municipal fine collection agents, and denies municipalities and the provincial government desperately-needed revenues.

### THE \$1 BILLION PROBLEM – WHAT KIND OF OFFENCES?

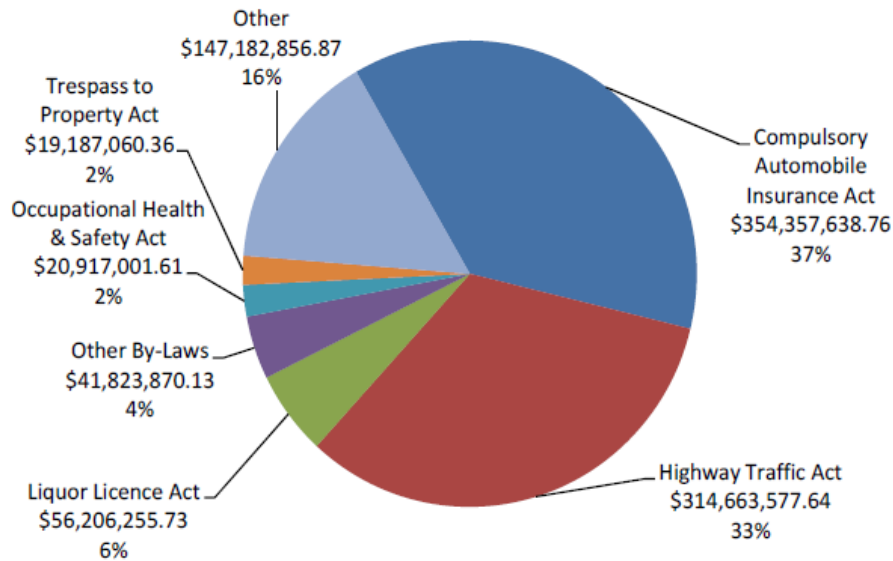
Of the \$1 billion in outstanding POA fines, approximately one-third relate to *Compulsory Automobile Insurance Act* convictions, another third to *Highway Traffic Act* convictions, and another third to other convictions (including violations of the *Liquor Licence Act*, *Occupational Health and Safety Act*, and *Trespass to Property Act*).

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<sup>1</sup> ICON database, as of July 2010 (\$954,338,261.10 total owing for 2,370,864 fines).



## BACKGROUNDER



Source: ICON Database, as of July 2010

## RECOMMENDATIONS

To address these issues, OAPSB recommends, based on stakeholder consultations, the Government of Ontario:

- Provide better data for better decision-making
- Improve inter-ministry collaboration and information sharing
- Embrace stakeholders, by holding regular discussion forums and acting on their suggestions
- Allow courts to assess ability to pay, and offer alternative sentences
- Provide better “customer” service to those persons paying fines
- Provide more “carrots and sticks,” including discounts for early fine payment, stiffer late penalties, and payments in accordance with the chronological order of sentencing
- Help municipalities to follow up on outstanding fines (“ask them, and they might pay”)
- Institute stronger, meaningful collection sanctions for fine defaulters, including broader driver’s licence and licence plate denial, vehicle impoundment, and garnishment of income tax refunds

## MEDIA CONTACT

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## EXECUTIVE SUMMARY

Unpaid *Provincial Offences Act* (POA) fines are a billion-dollar problem, and the numbers are growing exponentially. Approximately one-third of all POA fines are not paid. Due to historically weak penalties and ineffective collection methods, many offenders who choose not to pay their fines have never been held to account. Targeted and effective measures are needed to reach these defaulters.

Unpaid POA fines is a complex problem comprising a broad range of offences, a broad range of penalties, a large and diverse number of defaulters, a broad range of stakeholders, and a broad range of collection successes by jurisdiction. Strategic analysis of the issue is difficult, however, due to lack of data and difficulties accessing the data that does exist. Governments and ministries continue to operate in silos, missing opportunities to pursue more effective information sharing and collaboration.

One-third of fine defaults are related to the *Highway Traffic Act*, while another third is related to the *Compulsory Auto Insurance Act*. The vast majority (91%) of fine defaulters are Ontarians. The greatest concentration of fine defaults is in Toronto, followed by the County of Stormont, Dundas & Glengarry in eastern Ontario.

There has been varying success with the following collection tools:

- Licence plate suspensions
- Driver's licence suspensions
- Use of collection agencies
- Ability to add unpaid fines to property tax rolls
- Repeal of the statutory limitations period

Despite the ability to use the above listed collection tools, problems remain. Nearly \$1 billion in unpaid fines remains uncollected, and that amount continues to grow. The major challenges are:

- Lack of available data
- Lack of coordination within the government
- Need for greater stakeholder engagement
- Lack of alternative penalties
- Need for simple, flexible payment methodology
- Lack of incentives to pay
- Lack of follow-up
- Need for better enforcement powers

These problems are not new. Municipalities, courts, law enforcement agencies, and other stakeholders have been advocating for decisive action for years. The persistent problem of unpaid POA fines undermines the justice system, frustrates law enforcement officers and municipal fine collection agents, and denies municipalities and the provincial government desperately-needed revenues.

To address these issues, OAPSB recommends, based on stakeholder consultations, the Government of Ontario:

- Provide better data for better decision-making
- Improve inter-ministry collaboration and information sharing
- Embrace stakeholders, by holding regular discussion forums and acting on their suggestions



- Allow courts to assess ability to pay, and offer alternative sentences
- Provide better “customer” service to those persons paying fines
- Provide more “carrots and sticks,” including discounts for early fine payment, stiffer late penalties, and payments in accordance with the chronological order of sentencing
- Help municipalities to follow up on outstanding fines (“ask them, and they might pay”)
- Institute stronger, meaningful collection sanctions for fine defaulters, including broader driver’s licence and licence plate denial, vehicle impoundment, and garnishment of income tax refunds

This growing problem is wholly inappropriate in a functioning democracy. Comprehensive corrective action is overdue.

In these challenging times, this persistent (and growing) \$1 billion problem simply cannot be ignored, especially when solutions and stakeholder motivation are both so readily at hand.

## INTRODUCTION

As of July 2010, the last year for which statistics are available, there were nearly 2.5 million unpaid POA fines<sup>1</sup> totalling close to \$1 billion, owed largely to Ontario municipalities. That number has grown, and outstanding fines now total more than \$1 billion. The enormous magnitude of this delinquency undermines public safety, the rule of law, and accountability. It clearly also has significant financial impact on municipalities.

In 2009, the Ontario Association of Police Services Boards (OAPSB) began seriously advocating for corrective action regarding unpaid POA fines. In response to those advocacy efforts, the Hon. Rick Bartolucci, Minister of Community Safety and Correctional Services at the time, requested in 2010 that OAPSB prepare a white paper on the matter. Attorney General Bentley encouraged this initiative, and OAPSB readily agreed.

## METHODOLOGY

This white paper was developed over 16 months as follows:

- Step 1 – determine required information;
- Step 2 – solicit POA data from MAG and MFOA (Municipal Finance Officers’ Association);
- Step 3 – analyze POA data;
- Step 4 – share preliminary data and interview stakeholders; and
- Step 5 – write and distribute the white paper.

Stakeholder consultation was undertaken over the summer of 2011. OAPSB representatives identified key stakeholders from a variety of backgrounds and conducted telephone or email interviews over a period of several weeks. Interviews were informally structured, but stakeholders were asked to respond to four main questions:

<sup>1</sup> ICN database, as of July 2010 (\$954,338,261.10 total owing for 2,370,864 fines).