



Ontario's Municipal Revenue Specialists

ONTARIO MUNICIPAL TAX AND REVENUE ASSOCIATION

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Dear Mr. Freeman, Ms. Stewart & Mr. Corbett:

OMTRA Request: Priority Lien Status and Increased Flexibility for Outstanding Provincial Offences Fines Added to the Property Tax Roll

The Ontario Municipal Tax and Revenue Association (OMTRA) is the professional association for Ontario's tax and revenue collectors, and provides a forum for networking, learning, and sharing best practices. Our membership represents the full range of municipal tax and revenue collection disciplines, including property taxation, utility billing, service fee collection and Provincial Offences fine collections. OMTRA also serves as an advocate to advance issues of interest on behalf of municipalities, including recommending changes to legislation where warranted.

OMTRA has recently consulted with its membership to determine areas of Provincial legislation associated with revenue collection for which changes would be desirable. Based on this consultation and the fact that outstanding fines have been growing and there is currently over \$1.7 billion outstanding (excluding POA Part II matters), the membership is proposing two key changes to assist with collection efforts under Section 441.1 of the Municipal Act, 2001.

Section 441.1 of the Municipal Act, 2001, provides the following:

Upon the request of a municipality that has entered into a transfer agreement under Part X of the Provincial Offences Act, the treasurer of a local municipality may add any part of a fine for a commission of a provincial offence that is in default under section 69 of the Provincial Offences 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.

The limitations noted by the membership with Section 441.1 relate to the lack of priority lien status of fines when added to the property tax roll as well as inability to add fines to the tax roll for which only one owner is responsible for paying the fine. These limitations significantly impair the usefulness of this section as an effective collection tool for municipalities.

As such, OMTRA on behalf of its member municipalities, is requesting that Section 441.1 of the Municipal Act, 2001 be amended as follows:

(1) Upon the request of a municipality that has entered into a transfer agreement under Part X of the Provincial Offences Act, the treasurer of a local municipality may add any part of a fine for a commission of a provincial offence that is in default under section 69 of the Provincial Offences Act to the tax roll for any property in the local municipality for which all of the owners are at least one of the owners is responsible for paying the fine and collect it in the same manner as municipal taxes.

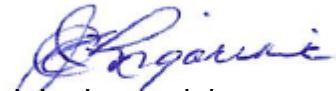
(2) Amounts added to the tax roll under subsection (1) shall have priority lien status.

These changes will allow for a less restrictive approach for adding defaulted fines to the tax roll and greater enforceability once added.

Provincial Offences Act fines in default continue to be a significant challenge for municipalities across the province. As of December 31, 2023, fines in default have grown to a staggering **\$1,750,200,579** (excluding POA Part II matters) and continue to grow annually. OMTRA believes the proposed changes to section 441.1 are the key solutions that will have a **significant impact** on recovering these otherwise uncollectible amounts which once collected, would provide municipalities with additional financial resources to address other key priorities including affordable housing initiatives and infrastructure reinvestment.

Thank you for your attention to this matter, and we look forward to your response.

Sincerely,



John Longarini,
President
Ontario Municipal Tax and Revenue Association (OMTRA)