Update on Options to Collect on Unpaid Parking Tickets

ISSUE

Through Bylaw No. 7200, the Traffic Bylaw, 1991, the City of Saskatoon regulates parking, vehicular and pedestrian traffic within the city, related to the use of streets, sidewalks and boulevards. Under this Bylaw, the City of Saskatoon issues Notices of Violation as part of its enforcement function. Once a ticket is issued and in accordance with our current legislation, if the matter proceeds to court, then a deemed conviction is the likely result and the fine and surcharges are applied. Vehicles may also be impounded and seized through Bylaw No. 8640, the Impounding Bylaw, 2007. The City collects on average about 95% of all parking fines issued in a year. Despite these legal instruments and collection rates, unpaid parking violation volumes and values remain higher than the Administration prefers. This report provides a summary on collection methods related to outstanding parking tickets, including information on outstanding parking ticket value.

BACKGROUND

City Council, at its Regular Business <u>meeting</u> on April 25, 2022, considered the following item and resolved as noted:

- "1. That the Administration pursue all feasible and/or cost-effective ways to obtain outstanding parking ticket revenue; and
- 2. That the Administration report back within two years regarding the success of these initiatives, and whether Administration recommends lobbying the province for legislative change at that time."

CURRENT STATUS

Bylaw No. 7200, the Traffic Bylaw, 1991, outlines a schedule of offences that are enforceable by means of a Notice of Violation, more commonly known as a parking ticket. Tickets are typically placed under a vehicle's wiper blade, giving opportunity for the person who parked in contravention of Bylaw No. 7200, the Traffic Bylaw, 1991, to pay in lieu of going to court. If a person pays the ticket in time, they do not have to go to Bylaw Court and sometimes there is a reduced fee option in paying the ticket early.

If a ticket is not paid, the City of Saskatoon (City) then lays a formal Bylaw Court charge. The City issues two letters at this stage to the registered owner; a Notice of Pending Summons and a Court Summons. If the ticket proceeds through the court process and the charged person is found guilty by trial or by failing to appear in court, then the parking ticket becomes a Court ordered fine. A final letter is sent to the registered owner advising them of the conviction and penalty amount due. The Court gives everyone who receives such a fine a certain amount of time to pay. If a fine is not paid, a late charge of \$40 is added and becomes enforceable by the City.

A yearly summary of the value of outstanding violation tickets and the City's total number of impounded scofflaw vehicles is provided (see Appendix 1).

Owners with two or more outstanding fines enter scofflaw status and are subject to vehicle seizure including booting, towing and impounding. As of April 2024, there was a total of 12,027 vehicle owners in scofflaw status. Of the total vehicle owners, 5,525 are registered with an address in Saskatoon, with approximately \$1.78 million in outstanding fines. Of the 5,525 vehicles, 1,009 have active vehicle registration, with approximately \$280,000 in outstanding fines. The remaining 4,516 vehicle owners with \$1.5 million in outstanding fines do not have registered vehicles or no longer reside in Saskatoon.

The City cannot pursue vehicle seizures with no active vehicle registrations. However, if a vehicle registered by an owner in scofflaw status and can be found, that vehicle can be seized. Doing so requires an extensive amount of administrative time, due to frequent registration searches.

The remaining 6,502 vehicle owners are located throughout Saskatchewan. It is assumed approximately 80% of owners in this category do not have active vehicle registrations either. While the City is authorized to seize a vehicle anywhere in the province, pursuant to *The Cities Act*, in most cases it would be cost prohibitive to pursue owners and impound vehicle outside of Saskatoon.

DISCUSSION/ANALYSIS

Previous reporting on this issue identified an outstanding parking ticket value total of \$6.87 million on tickets issued up to the end of 2021, excluding tickets issued under previous legislation. As a result of implementation of the measures noted below, updated values for this same time period have decreased by 10.3% or approximately \$700,000, resulting in an outstanding total of \$6.16 million for this period.

Administration views collection of parking ticket revenue as important in two respects. First, it is revenue that can be collected to pay for related City programs and services. Second, unpaid fines reduce the legitimacy of the regulatory regime, thereby minimizing the deterrent effect of violating the City's parking rules and regulations.

Given that perspective, Administration has taken a more focused approach by deploying, and/or considering deploying several different measures to collect outstanding parking fines. The measures require a coordinated approach, spanning several departments.

Measures Already Implemented

Since 2022, the City has implemented additional measures to support the reduction of unpaid parking ticket volumes. These include the following:

1. Additional Parking Enforcement Unit - The City currently utilizes one specialized enforcement team known as the Chronic Offender Parking Enforcement team, commonly known as the "Boot Crew". The Boot Crew is responsible for seeking out scofflaw offenders and immobilizing and seizing vehicles. A second team was established for intermittent use starting in 2022. It provided further coverage and support by proactively finding scofflaw offenders. Over the past two years, the second team has been responsible for 444 vehicle seizures and

impoundments. This reflects approximately 10% of total vehicle seizures and impoundments for the past two years. The costs of this second team were captured through existing budget amounts. The table below shows the increase in fees recovered and tickets paid from impound after introduction of the second boot crew team in 2022.

| Year | Tickets Paid | Late Fees | Ticket | Total |
|------|--------------|-----------|-----------|-----------|
| | from | Recovered | Amount | Amount |
| | Impoundment | | Recovered | Recovered |
| 2021 | 3,697 | \$147,880 | \$163,495 | \$311,375 |
| 2022 | 5,487 | \$219,480 | \$299,375 | \$518,855 |
| 2023 | 7,730 | \$294,800 | \$378,591 | \$673,391 |

- 2. Changes to display of parking tickets To improve customer education, Administration made a minor change to the display and layout of parking tickets to draw further attention to the reduced penalty amount where applicable and to encourage early payment in lieu of prosecution. Font size was increased and bolded as much as possible. In 2022, on average 47.3% of all parking tickets opted for early payment and 90.6% of tickets were paid. In 2023, 48.5% of parking tickets opted for early payment and 86.7% were paid.
- 3. Parking Ticket Reminder Letters Given that many of the outstanding parking tickets are older than five years, reminder letters were issued to local scofflaws in Spring 2024. Approximately 6.23% of local scofflaws paid their outstanding tickets valued at \$39,680 in total fines & associated fees.

Measures being Pursued or Developed

The following items related to parking ticket collection are currently in process of being developed and/or reviewed:

- 1. Collections Approach Administration is evaluating options to utilize a collections-based approach to pursue payment for scofflaw offenders located outside of City boundaries, where options such as booting or seizing a vehicle are not practical. Options being evaluated include an in-house collections model and the use of third-party collections agency. A Request for Information was issued for the purpose of soliciting collections agency information on industry approach, collection success rates and commission rates. The Request for Information closes on July 26, 2024, and information obtained will be used to analyze the different approaches in conjunction with the City's Corporate Revenue Department.
- 2. High Value Scofflaw Approach In cases where scofflaws owe a considerable amount in parking ticket debt that to date has been unrecoverable, additional legal steps and measures may be economically feasible to compel payment. This includes lien registrations, judgement filings and use of the Sheriff's Office to help collect outstanding debt.

- 3. Parking Ticket Tracking and Reporting Administration of the noted parking ticket collection initiatives will require reporting capability improvements associated with parking ticket data. Development of a more robust reporting feature is a component of Administration's Parking Technology Project. This is a phased project with ticket reporting features anticipated for completion in Q2 2025.
- 4. Cease Collection Efforts Considerations— of the outstanding parking tickets, approximately 32 % were issued 10 years ago or longer. Administration has drafted a policy framework to help enable a consistent and systematic write-off of uncollectible parking tickets. Policy factors for consideration include location of the offender, age of the ticket(s), collection attempts made, etc. Finalization of the policy will be informed by completion of the initiatives noted above.

The various measures noted above that have already been implemented and those in the process of being completed collectively form the City's draft Parking Ticket Collection Strategy, which is identified in Appendix 2. The strategy outlines a progression of the various collection measures which may be utilized.

Completeness of the strategy is limited by reporting capabilities which exist with current ticket tracking and reporting software and due to SGI data access issues. The City currently receives customer data from SGI at the time of ticket issuance. However, as tickets age the data may no longer be accurate. The City is working with SGI to establish an acceptable agreement on gaining access to older data, subject to relevant legal and privacy limitations.

FINANCIAL IMPLICATIONS

Further financial analysis is required on steps outlined in the parking ticket collection strategy, including costs associated with the use of a collections approach (internal and/or external) and in establishing appropriate benchmarks to determine when it is financially viable to pursue ticket collection through use of the measures aimed at targeting high value scofflaws.

OTHER IMPLICATIONS

As noted, additional work is required with SGI to facilitate appropriate access to data needs, subject to legal and privacy considerations.

NEXT STEPS

Administration will continue work on finalizing its enforcement strategy. The primary focus is on strengthening its current enforcement measures to collect outstanding parking fines. That said, it will continue to work with SGI towards securing appropriate data access. Once the strategy is finalized, it is suggested Administration pilot it for a one-year period and report back on its efficacy to the Standing Policy Committee on Transportation. Follow-up reporting is targeted to Committee in Q3 2025. At that time, additional measures, such as seeking various legislative or regulatory changes may be addressed.

APPENDICES

- 1. Outstanding Ticket Summary
- 2. Parking Ticket Collection Strategy Map

REPORT APPROVAL

Written by: Wayne Sum, Parking Services Manager

Reviewed by: Matt Grazier, Director of Community Standards

Mike Jordan, Chief Public Policy & Government Relations Officer

Approved by: Celene Anger, General Manager, Community Services

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