



City of Hamilton Report for Consideration

To:	Chair and Members Audit, Finance and Administration Committee
Date:	May 22, 2025
Report No:	FCS25021
Subject/Title:	Proposed Write-off for Provincial Offences
Ward(s) Affected:	City Wide

Recommendations

- (a) That staff **BE AUTHORIZED AND DIRECTED** to write-off the following outstanding Provincial Offences fines deemed uncollectible, in the total amount of \$2,665,794.51:
- (i) \$2,160,261 in uncollectible fines with a default date of December 31, 2017, and prior;
 - (ii) \$1,422.08 in underpayments from April 1, 2023, through March 31, 2025;
 - (iii) \$504,111.43 in fines held by persons deceased in 2023 and 2024.

Key Facts

- In accordance with the Provincial Offences Administration (POA) Write-off Procedure and the Memorandum of Understanding with the Ministry of the Attorney General (MAG), POA is requesting that 13,360 records amounting to \$2,665,794.51 be written off.
- POA did not write off any fines for the year ending December 31, 2023, due to the cybersecurity incident; MAG was informed and approved this change in 2024.
- Fines are written off based on the age of the accounts receivable, ability to collect, underpayments incurred, and any fines held by deceased persons.
- If a fine is written off, it does not absolve a convicted offender from the requirement to pay the fine as debts to the Crown are not forgiven.

Financial Considerations

Provincial Offences revenue is recognized on a cash basis, meaning it is recorded only when payment is received, not when the offence occurs. While the current write-offs have no immediate financial impact under this method, they do represent a lost opportunity for future revenue collection. It is important to note that the debt to the Crown is never forgiven — if an individual chooses to pay their fine after it has been written off, the account can simply be reactivated in the system to accept payment.

Background

Staff was directed to include, in future Provincial Offences Administration Annual Reports, information on how the City is collecting on accounts receivable and an explanation of the City's three-tiered collection process.

Due to the overlap of information contained in the Annual Report and Write-off Report, Appendix "A" was created to provide an overview of POA activities for 2024.

Analysis

Staff anticipates the amount of the write-offs to be \$2,160,261 in uncollectible fines with a default date of December 31, 2017, and prior, and underpayments (pay less than is due) of \$1,422.08 from April 1, 2023, through March 31, 2025. An example of an underpayment would be the fee associated with the Fail to Respond docket; the \$5 fee is added to the balance, however, in the meantime, the fine was paid. There is an additional amount of \$504,111.43 representing persons that were deceased in 2023 and 2024 that held unpaid fines. The total amount of \$2,665,794.51 includes the Victim Fine Surcharge which is payable to the Province of Ontario.

POA is requesting that 13,360 records amounting to \$2,665,794.51 be written off for years 2023 and 2024. After write-off, the remaining outstanding accounts receivables balance will be \$75,895,897.40.

The recommendation follows existing corporate, provincial policies, procedures and standard accounting practices respecting the write-off of uncollectible monies. Fines are written off based on the age of the accounts receivable and ability to collect. Files which are seven years or older are identified for write-off consideration.

If authorized by Council, staff will advise the Ministry of the Attorney General of this recommendation and request that they be authorized to purge these records from the Ministry database, Integrated Court Offences Network (ICON).

Write-Off History			
	# of Files	\$ Written Off	Year End Outstanding Balance
2020	6,068	\$1,626,850	\$68,854,632
2021	8,815	\$2,889,903	\$69,938,054
2022	5,258	\$1,162,409	\$70,149,851
2023	0	0	\$75,124,522
2024	13,360	\$2,665,795	\$75,895,897

Note: 2024 write-off includes years 2023 and 2024

Internal stakeholders consulted include staff in the departments of Corporate Services and Planning and Economic Development. All internal stakeholders consulted agree with the recommendations. Please note that Red Light Camera and Automated Speed Enforcement certificates are not subject to write-off.

Alternatives

The Ministry of the Attorney General has issued a directive to all POA offices in the Province to establish and maintain write-off policies and procedures. Given the Council approved write-off procedure, there are no alternatives for consideration.

Relationship to Council Strategic Priorities

Report FCS25021 enforces and supports the following:

- 3. Responsiveness & Transparency
 - 3.1 Prioritize customer service and proactive communication.

Previous Reports Submitted

[2022 Provincial Offences Administration Annual Report \(FCS23057\) \(City Wide\)](#)

Audit, Finance and Administration Committee, May 18, 2023

Consultation

Maja Walters, Manager, Finance and Administration, Corporate Services
 Bob Nuttall, Manager, Building Inspections, Planning and Economic Development
 Kelly Beaton, Manager, Animal Services, Planning and Economic Development
 Gillian Barkovich, Manager, Policy and Programs, Planning and Economic Development

Appendices and Schedules Attached

Appendix "A" to Report FCS25021 – Yearly Overview

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