

# Fee For Paper Bills

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# Current State

- Canada post increased postage charges by 25% effective January 1, 2025
- Cost to mail out a paper bill is \$1.50
- City spends approximately \$1M in postage
- 80% of the postage costs related to mailing of utility and property tax bills
- Approximately 50% of residents are enrolled on e-billing for property tax and utility bills

# Legislation- Municipal Act, 2001

- Provides direction on how Property Tax Bills are to be delivered:
  - *Section 343 (1) of the Act requires the Treasurer to send a tax bill to every taxpayer.*
  - *Section 343 (6.1) allows the Treasurer to send a tax bill to the taxpayer electronically if the taxpayer has chosen to receive the tax bill in that manner.*
  - *Section 343(7) requires that where a taxpayer directs the treasurer in writing to send the taxpayer's tax bill by registered mail, the treasurer shall comply with the direction and shall add the cost of the registration to the tax roll and the amount shall be deemed to be part of the taxes for which the tax bill was sent.*
- One interpretation is that because section 343(7) directly references costs for registered mail, the lack of any mention of fees for standard paper bills may indicate a deliberate omission, suggesting such fees are not authorized.
- No clear authorization or prohibition to charge fees for standard paper bills.

# Legislation- Ontario Energy Board

- Provides direction to Gas Utilities on how Utility Bills are to be delivered.
- OEB had previously ruled that Enbridge could not charge customers for paper bills or automatically enroll them in e-billing when opening an account.
- Kitchener Utilities adheres to OEB decisions.
- Most municipalities across the Province do not provide gas services and are not obligated to follow OEB decisions.

# Municipal Survey: Customers on E-billing

Municipality	% of Customers enrolled on e-billing (TAX)	% of Customers enrolled on e-billing (UTILITY)	Fee Charged for Paper Bills (Yes/No)
City of Markham	33%	45%	No
City of Mississauga	20%	N/A	No
City of Waterloo	26%	40%	No
City of Cambridge	7%	34%	No
<b>City of Kitchener</b>	<b>49%</b>	<b>49%</b>	<b>No</b>
City of Guelph	4%	N/A	No
City of Hamilton	7%	N/A	No
City of Toronto	10%	12%	No
City of London	0%	N/A	No
City of Ottawa	46%	49%	No

# Municipal Survey: Charge for a paper bill

Municipality	Fee per bill	Property Tax and Utilities	Population (Approx)
City of Quinte West	\$1.50	Utility Bills only	50,000
Sioux Lookout	\$3.00	Property Tax and Utility Bills	6,000
Township of Wilmot	\$2.50	Approved during the 2025 Budget deliberations	22,000

*Note: These municipalities apply the fee exclusively to water utility bills, as they do not offer gas services and are not subject to OEB rulings.*

# Options

- **Option #1: Charge \$2 for Every Paper Bill to Be Mailed Out**
  - Advantages: Recovers costs, encourages e-billing
  - Disadvantages: Impacts vulnerable residents, OEB misalignment, unclear authority
- **Option #2: Grandfather existing customers on paper billing and charge new customers a fee for paper bills starting on January 1, 2026**
  - Advantages: Gradual shift, cost recovery
  - Disadvantages: Implementation complexity, OEB misalignment, unclear authority
- **Option #3: Enhance Promotion of E-Billing Through Targeted Marketing Campaigns (Recommended)**
  - Advantages: Inclusive, low risk, aligns with legislation and OEB direction
  - Disadvantages: Slower adoption, relies on marketing effectiveness.

# Recommendation

- That staff be directed to enhance the City's e-billing promotion efforts (**Option #3**) through targeted marketing campaigns to further increase the adoption of paperless billing.
  - offers a balanced approach
  - avoids creating new financial barriers for vulnerable or equity-deserving groups
  - is the most inclusive, fiscally responsible, and helps protect the environment.
  - aligns with the OEB's past decision
  - does not appear to conflict with legislation



# Communication Strategy

- To maximize the impact of **Option #3**, staff will develop and launch a multi-channel communications strategy. Examples include:
  - Offering incentives such as contests or bill credits to encourage participation
  - Inserts in utility and property tax bills
  - Targeted social media ads and video content
  - Outreach via local community groups, senior centres, and newcomer organizations
  - In-person and telephone support for residents needing help enrolling in e-billing
  - Possible translation of promotional and instructional materials into commonly spoken languages in the City

# QUESTIONS?

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