



## **Staff Report for Committee of the Whole Meeting**

**Date of Meeting:** December 4, 2019

**Report Number:** SRCFS.19.047

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** Use of Credit Card as a method of payment for  
Property Taxes

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### **Purpose:**

The purpose of this report is to inform Council on the feasibility of accepting credit cards as a method of payment for property taxes, special assessments, late payment charges and default fines on the property tax account in accordance with the September 18, 2019, motion

### **Recommendation(s):**

- a) That Council approve use of credit cards as a property tax payment option, using a convenience fee method through, third-party provider Paymentus (Canada) Corporation.

### **Contact Person:**

Cedric Stone, Manager, Revenue Services

Report Approval:

**Submitted by:** Mary-Anne Dempster, Commissioner of Corporate and Financial Services

**Approved by:** Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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### Background:

On September 18, 2019, Council approved the following motion:

“Staff look into the feasibility of accepting property tax payments by credit card and report back to Council by March 31, 2020.”

This staff report responds to Council’s directions.

Currently the City accepts payment for property tax receivables through internet banking, from mortgage companies administering taxes on behalf of mutual clients; pre authorized debit, cheque, debit card and cash. Internet and mortgage company banking account for a minimum of seventy five percent of all payments. The recent Cash Handling Audit identified a need for a payment acceptance policy. The policy will include types of payment and how payment will be accepted.

The City has not to date accepted credit card as a payment option. Our reasons include the transaction cost, and lack of an online electronic services tool to facilitate the transaction.

Paymentus (Canada) Corporation is a provider of online payment platform solutions with in excess of 1,000 installations in North America. Paymentus has a number of existing technical partnerships, including with the vendor the City uses for Water Billing and Receivable. Paymentus offers a hosted solution whereby the payer pays the transaction fee. The City receives payment advice and funds from the third party and its financial institution.

### Accepting Credit Card as a payment option for property tax receivable in 2020

- Individuals interested in using credit card as a payment option (payer) will select an icon on Richmondhill.ca
- The payer will be redirected to a location developed by Paymentus and Richmond Hill within Richmondhill.ca and with City branding however, connected to Paymentus
- The payer is presented with one-time or recurring payment options. The recurring payment option provides for creation of a secure profile for the payer
- In the one-time payment scenario, the payor enters a property tax roll number, a municipal address, desired payment amount and credit card details
- The payer is advised by Paymentus of a convenience fee of 2.5% of the tax payment amount
- Paymentus payment processor, a financial institution processing the transaction, will settle with the City normally within forty-eight hours. The payment is the full amount the payer intended to pay the City. The payment processor directs the 2.5% convenience fee to the credit card issuer and Paymentus
- Paymentus will provide the City with a daily payment report delivered by secure file transfer

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- Paymentus provides the City and payers with client support at its Richmond Hill call center.

### **Security, Administration and Longer Term**

- Paymentus credit card processing is a full hosted PCI compliant solution.
- Initial credit card acceptance will be Visa and MasterCard
- Acceptance of credit cards is online only. Payers attending Access Richmond Hill and seeking to pay by credit card will be directed to a visitor desktop or tablet.
- Processes will be established through Paymentus to reverse inappropriate use of a credit card or related payment concerns.
- Longer term, staff will explore use of Paymentus third party credit card processing for water bill transactions.
- Staff will explore interface file options to expand the payer experience

### **Next Steps**

- Completion and execution of agreement between the City and Paymentus
- Development of an interface file to auto load the Paymentus payment file to the City property tax application
- Public education advising of acceptance of Visa and MasterCard as payment options for the first property tax installment date of March 2, 2020.
- Development of a Payment Acceptance Policy for all payment types, including credit cards for property tax payments.

### **Financial/Staffing/Other Implications:**

The credit card transaction fee is payable by the Payer to the third party payment processor, Paymentus. The credit card transaction fee covers the cost of the functionality. The City does not incur a charge per transaction or for the Paymentus platform and support.

### **Relationship to the Strategic Plan:**

Expanding options for paying property taxes demonstrates the Strategic Plan goal of Wise Management of Resources and Better Choice.

### **Conclusion:**

It is recommended that the City proceed with Payments (Canada) Corporation to accept Visa and MasterCard as payment options using a convenience fee method..

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### Report Approval Details

Document Title:	Use of credit cards as a method of payment for property tax bills.docx
Attachments:	
Final Approval Date:	Nov 26, 2019

This report and all of its attachments were approved and signed as outlined below:

**David Dexter - Nov 25, 2019 - 7:43 AM**

**MaryAnne Dempster - Nov 26, 2019 - 11:29 AM**

**Neil Garbe - Nov 26, 2019 - 12:02 PM**