

MOUTHING OFF

Double taxation and selective enforcement

By Kevin Milliken, Toledo Free Press, June 28, 2006

The City of Toledo is doing a lot of business these days with collection agencies.

Chasing after tax scofflaws is a good job for those agencies because it holds those cheaters accountable.

However, when companies such as Cost Recovery Corp. from the Dayton area start suggesting legislation and lobby city council for its passage, that's problematic.

That is exactly what is happening in Toledo. CRC is actively showing elected officials how easy it is to increase city coffers with police and fire service fees.

What happens is this: if you are found at fault in an accident, CRC bills your insurance company for the services of police officers and firefighters who respond to the scene.

Toledo is now charging fire services fees. City council is considering a proposal from the Finkbeiner administration to add police service fees to the books, too.

CRC's Web site sells this service to city governments by telling them no individuals will get charged. Wanna bet?

I have been getting bills from CRC ever since a car accident last December for more than \$1,500, because my insurance company refuses to pay. Their take is that my tax dollars already pay for these services. They're right.

We pay the payroll income tax that we have approved for the last quarter-century. That tax has always been sold to the public as a means to fund trash collection, as well as police and fire protection.

The Ohio Insurance Institute and Toledo Regional Chamber of Commerce both call that double taxation.

Adding insult to injury, CRC Vice President Regina Moore informs me that the collection agency is only going after non-residents individually and forgiving the bills of Toledo residents. Why? Moore explains residents pay a property tax that pays for police and fire protection, but non-residents do not.

I call that selective enforcement.

Many people don't even know this is going on. Voters renewed the income tax in November of 2004. Six weeks later — four days before Christmas — council quietly passed the fire service fee ordinance, while we were distracted by the joy of holiday celebrations.

I only noticed when I got the bill. Now my insurance company is playing brinksmanship games with the collection agency, and my credit rating hangs in the balance.

Why should you care about my problem? Because it will soon be your problem, too.

Some insurance companies are paying these fees. That means those carriers are going to find the money somewhere. That will mean higher insurance rates for you.

Toledo has collected more than \$150,000 from this ridiculous tax since last July.

By the way, CRC gets 10 percent off the top. No wonder the collection agency is selling its services and lobbying municipal governments. They each get a cash cow, making it a win-win situation — for them.

Tell that to Bob Christie, a Maumee resident who owns a Toledo business. He received a bill bigger than mine. He may be a non-resident, but he's paying the same income tax I do. He's also filling city coffers with business taxes. He's plenty mad. Can you blame him?

Then there are the people who were billed \$2,100 for a fender bender. The bill included more than \$650 in charges for eight emergency medical technicians who showed up at the cash, er, crash scene — but no one needed medical attention. That person got billed for services that were never even rendered.

Let me be clear: My beef is not with the brave police officers and firefighters who protect our homes, lives and streets every day. My complaint is with elected officials and collection agencies who find creative, subversive ways to squeeze every last penny out of us instead of living within a balanced budget.

I wonder if Toledo City Council even considered what would happen when they voted to pass these fees. The council president has asked for a review of the situation when council's committee-of-the-whole considers adding police to this ridiculous equation on Wednesday.

You can still make a difference. That hearing is at 3 p.m. July 19 in council chambers at One Government Center.

Sometimes we have to remind our elected leaders who's boss: us. This is one of those times.

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