BILL 2011-65 AND BILL 2011-66

****** Second Reading ******

Agenda Item

To: Mayor and City Council

From: Mark Gaugh, Interim City Manager

Date: October 13, 2011

Re: Ordinance change for collection fee

ISSUE
Staff has looked into changing the agency that is used to collect past due accounts for Utility Billing, Miscellaneous Billing and Personal Property Tax Billing. The current agency does not assess a collection fee to the customer, therefore the money that is being spent to send each account to the collection agency is not being recovered. Staff would like to utilize a company for the collection of the above mentioned accounts that would assess that collection charge to the customer. This practice would help the City recover some of the cost of sending the accounts to the collection agency.

EXAMPLE
NOW: Customer owes $150, we send them to collection for $10.50 and they pay us, we collect $150

PROPOSED: Customer owes $150, we send them to collection for $12 and they pay us, we collect $162, therefore covering the cost we pay to the collection agency.

RECOMMENDATION
Staff recommends changing the Ordinance to allow the City to collect a fee for collection of past due accounts.

Bill 2011-65

AN ORDINANCE AMENDING CHAPTER 4, FINANCE AND TAXATION OF THE CITY OF CAMERON CODE OF THE CITY OF CAMERON, CLINTON AND DEKALB COUNTIES, MISSOURI, BY CREATING A NEW SECTION 4-6. COLLECTION OF PROPERTY TAXES, IN ARTICLE I. IN GENERAL

WHEREAS, the City of Cameron by Section 137.073, RSMo is allowed to collect property taxes for all personal property held within the city limits of the City of Cameron; and

WHEREAS, the City of Cameron utilizes a Collection agency to collect unpaid tax accounts and will collect a fee from the customer not to exceed the actual cost incurred for collection of the account.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI AS FOLLOWS:

Section 1. Adopt a new Sec. 4-6. Collection of Property Taxes of Article I., In General of Chapter 4 of the Cameron City Code as follows:

Sec. 4-6. Collection of property taxes

As per Section 137.073 RSMo, personal property and real estate taxes shall be collected from every person residing inside the City limits of the City of Cameron at a rate certified by such section. All account balances that remain unpaid will be turned over to a collection agency annually in the month of August with a fee not to exceed the actual cost incurred for collection of the account.

Section 4. The Mayor is authorized to sign this ordinance approving it on behalf of the City.

Section 5. The City Clerk is directed to attest to the Mayor's signature.

Section 6. This ordinance shall be in full force and effect from and after its passage and approval.

Passed and approved on first reading this 17th day of October 2011.
Passed and approved on second reading this 7th day of November 2011.
Passed and approved on third and final reading this _____ day of _____ 2011.

_____
Mayor Frank A. Buck

ATTEST:

_____
City Clerk

second reading