

Sponsor: Councilman Johnson
First Reading: 04/06/15
Second Reading: waived
Third Reading: 04/20/15
Ord. No.: 004-15

AN ORDINANCE AMENDING THE TOWN CODE TO AUTHORIZE THE TOWN TO SEND DELINQUENT REAL PROPERTY TAXES, MOBILE HOME PERMIT FEES, UTILITY FEES, GRASS AND WEED CUTTING FEES, AND OTHER DELINQUENT AMOUNTS TO A THIRD-PARTY COLLECTION AGENCY AND TO ADD THE COLLECTION AGENCY'S SERVICE CHARGE TO THE DELINQUENT ACCOUNTS

WHEREAS, there are a significant number of delinquent accounts in the Town of Smyrna involving unpaid real property taxes, utility services, mobile home permit fees, and other services provided by the Town to residents and property owners;

WHEREAS, the Town does not have adequate staffing to effectively pursue collections on all these delinquent accounts;

WHEREAS, in the opinion of the Town Council, the Town should not pay any collection costs associated with delinquent accounts, and these costs should be passed along to the holders of the delinquent accounts; and

WHEREAS, it is necessary to change the due date for payments on electric accounts in order for the Town to have ample time to collect electric service fees from customers and make payment to the Town's suppliers of electricity.

NOW THEREFORE, BE IT HEREBY ENACTED by the Town Council of the Town of Smyrna, a majority thereof concurring in Council duly met, that the Town Code of the Town of Smyrna be and hereby is amended as follows:

Section 1. Amend Chapter 62 ("Taxation"), Article III ("Mobile Home Permit and Fee"), Section 62-53 ("Permit") by making insertions as shown by underlining and deletions as shown by strike through as follows:

Sec. 62-53. – Permit.

- (a) The owner of a mobile home shall obtain an annual permit for it and shall pay a fee of ~~\$100.00~~ as outlined in the Town's fee schedule for each such permit. Such permit shall be obtained and the permit fee paid by January 1 of each year and if such fee is not paid before February 1 of such year, then the amount shall be past due and a penalty of ten percent per month (or any portion thereof) shall accrue on the unpaid balance of the permit fee. The annual permit fee shall be reviewed annually as part of the budget process ~~at least every five years~~ or whenever the town's real estate property tax rate is revised and adjusted accordingly.

- (b) Anything in this article to the contrary notwithstanding, whenever a mobile home is moved into the town, payment of the permit fee shall be prorated on a monthly basis for each fractional part of a year during which the mobile home is in the town. If all or any portion of the permit fee is not paid prior to the mobile home being placed in the Town, the unpaid amount shall be past due and a penalty of ten percent per month (or any portion thereof) shall accrue on the unpaid balance of the permit fee. No refunds shall be made to any permittee who sells or moves a mobile home after the fee has been paid.
- (c) Once the annual permit fee has been paid by the owner of the mobile home, he or she ~~shall~~ may be issued a sticker or other evidence of payment by the town manager or his authorized agent. ~~This~~ If issued by the Town, the sticker or other evidence of payment must be placed upon the right front of the mobile home facing the street three feet above finished grade and one foot over from the side of the mobile home.
- (d) For purposes of assessing real property taxes, any mobile home required to obtain a permit under this article shall be considered personal property, severable from the land upon which it is located, and not included for purposes of real property tax assessment, regardless of the manner in which it is attached to or affixed to the real estate upon which it is located.
- (e) Any mobile home permit fees that are past due as outlined in this section are a debt owed to the Town, and the Town may forward the collection of delinquent mobile home permit fee accounts (including all authorized penalties and interest) to a third-party collection agency in accordance with Sec. 2-71 (“Use of third-party collection agency”).

Section 2. Amend Chapter 62 (“Taxation”), Article I (“General”), by making insertions as shown by underlining and deletions as shown by strike through as follows:

Sec. 62-2. – Collections.

Any real property taxes that have not been paid by the due date outlined in the Town Charter are a debt owed to the Town, and the Town may forward the collection of delinquent real property taxes accounts (including all authorized penalties and interest) to a third-party collection agency in accordance with Sec. 2-71 (“Use of third party collection agency”).

Section 3. Amend Chapter 70 (“Utilities”), Article VI (“Collections”), Section 70-302 (“Collection of delinquent accounts by third party agency”) by making insertions as shown by underlining and deletions as shown by strike through as follows:

Sec. 70-302. – Collection of delinquent accounts by ~~third party~~ third-party agency.

Upon a customer’s water, sewer, or electric account being terminated (disconnected or shut-off) or becoming past due, the town billing manager shall forward the collection of such past due amounts (including all authorized penalties and interest) to a third-party third-party collection agency in accordance with Sec. 2-71 (“Use of third-party collection agency”). The

cost of the ~~third-party~~ third-party collection agency shall be added to the amount past due, which collection cost shall not exceed 15% of the total amount past due (including all authorized penalties and interest).

Section 4. Amend Chapter 74 (“Vegetation”), Article II (“Grass and weeds”), Section 74-29 (“Abatement of nuisance by town upon owner’s failure; collection costs”) by making insertions as shown by underlining and deletions as shown by strike through as follows:

In case the owner or responsible party for the lot or parcel of ground shall fail to abate the nuisance, the town manager of the town shall give five days written notice once each calendar year (January 1 through December 31) that the town shall proceed, without further notice, to do so each time the property is inspected and found to be in violation of this article. The cost thereof, together with any fines and costs and collection costs, shall constitute a claim against the owner or owners of the lot or parcel of ground and may be collected as any other fine or cost is collected, including forwarding the collection of past due amounts (including all authorized penalties and interest) to a third-party collection agency in accordance with Sec. 2-71 (“Use of third-party collection agency”).

Section 5. Amend Chapter 2 (“Administration”), Article III (“Finance”) by making insertions as shown by underlining and deletions as shown by strike through as follows:

Sec. 2-71. – Use of third-party collection agency.

Any amounts owed to the Town including, but not limited to, real property taxes, mobile home permit fees, usage and service fees for water, sewer, and electric services, grass and weed cutting fees, sidewalk repair fees, and engineering fees that have not been paid by the due date outlined in the Town Code, Town Charter, or on the corresponding invoice are a debt owed to the Town, and the Town may forward the collection of the delinquent accounts (including all authorized penalties and interest) to a third-party collection agency. The cost of the third-party collection agency shall be added to the past due amounts on the delinquent account, which collection cost amount shall not exceed 15% of the total amount owed to the Town (including all authorized penalties and interest). At least seven days prior to forwarding a delinquent account to a third-party collection agency, if the Town has reason to believe the property owner or holder of the delinquent account still resides at the property in question, the Town shall send written notice that failure to pay the outstanding amounts will result in the town forwarding the account to a collection agency. The Town may satisfy this notice requirement by providing written notice in the original invoice sent to the property owner or account holder.

SYNOPSIS

This ordinance authorizes the Town to send delinquent real property taxes, mobile home permit fees, water, sewer, and electric fees, grass and weed cutting fees, sidewalk repair fees, engineering fees, and all other past due amounts owed to the Town to a third-party collection agency. The Town may add the collection agency’s cost to the delinquent account, which costs

shall not exceed 15% of the total amount owed to the town (including all authorized interest and penalties). If the Town believes the property owner or account holder still owns or resides at the property in question, seven days before sending a delinquent account to a collection agency, the town must provide written notice of its intent to do so. The notice requirement may be satisfied by providing notice in the original invoice corresponding to the delinquent account. This ordinance removes the mobile home permit fee amount and specifies the amount will be included in the town's fee schedule.

This will certify that this is a true and correct copy of the Ordinance duly adopted by the Town Council of the Town of Smyrna at its regular Council meeting on _____, 2015.

ATTEST:

Council Secretary

Mayor

This shall certify that the title and synopsis of this Ordinance was published in the "Smyrna/Clayton Sun Times" on _____, 2015 and posted at the Town Hall on _____, 2015.

So Certifies:

Town Clerk

This shall certify that the title, effective date and synopsis of this Ordinance was published in "The Smyrna/Clayton Sun Times" on _____, 2015 and posted at the Town Hall on _____, 2015.

So Certifies:

Town Manager