

BILL NO. 4 of 2023

ORDINANCE NO. 1969

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF WASHINGTON,
WASHINGTON COUNTY, PENNSYLVANIA, AMENDING CHAPTER 208,
MUNICIPAL CLAIMS AND DELINQUENT TAXES, ARTICLE I COLLECTION
OF FEES AND COSTS FOR DELINQUENT ACCOUNTS, §208-2 SCHEDULE OF
FEES.**

WHEREAS, City Council for the City of Washington deems that it is in the best interest of the citizens and residents of the City of Washington to approve **ORDINANCE NO. 1969 BILL NO. 4 of 2023.**

This Ordinance shall become effective upon FINAL PASSAGE and shall be applicable for the year 2023.

FIRST READING: 7/13/2023

FINAL READING: 8/3/2023

CITY OF WASHINGTON, PENNSYLVANIA

BY:



Scott J. Putnam, Mayor

ATTEST:



Michelle R. Sperl, City Clerk

**CITY OF WASHINGTON
WASHINGTON COUNTY, PENNSYLVANIA**

ORDINANCE NO. 1969 BILL NO. 4 OF 2023

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF WASHINGTON,
WASHINGTON COUNTY, PENNSYLVANIA, AMENDING CHAPTER
208, MUNICIPAL CLAIMS AND DELINQUENT TAXES, ARTICLE I
COLLECTION OF FEES AND COSTS FOR DELINQUENT ACCOUNTS,
§208-2 SCHEDULE OF FEES.**

WHEREAS, the Municipal Claims and Tax Liens Act, 53 P.S. § 7106(a.1) (the "Act"; capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Act) requires that the applicable Municipality adopt by ordinance a schedule of Attorney Fees for any Attorney Fees incurred in connection with the filing, preservation and collection of any Delinquent Account, including any Unpaid Claim; and

WHEREAS, the City has determined after due deliberation and investigation, that it is in the best interest of the City to collect certain Unpaid Claims pursuant to the Act (such Unpaid Claims, "MCTLA Unpaid Claims") and, after careful review of the Attorney Fees and Collection Fees set forth in this Ordinance, to approve and adopt such Attorney Fees and Collection Fees pursuant to this Legislative Action in accordance with the Act.

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDAINED, ENACTED AND ADOPTED BY THE COUNCIL OF THE CITY OF WASHINGTON AS FOLLOWS:

Section 1.

Chapter 208, Municipal Claims and Delinquent Taxes, Article I Collection of Fees and Costs for Delinquent Accounts, §208-2(A) Schedule of Fees shall be replaced as follows:

The City hereby approves the following schedule of attorneys' fees for services in connection with the collection of accounts, which is hereby determined to be fair and reasonable compensation for the services set forth below, all in accordance with the principles set forth in Section 3(a.1) of the Municipal Claims Law,[1] as added by Act No. 1 of 1996, now known as "Act 20 of 2003" (the "Act"):

(a) Attorney Fees.

Initial review and sending first legal demand letter	\$175.00
File Lien and prepare Satisfaction	\$250.00
Prepare Writ of Scire Facias	\$250.00
Prepare and mail letter under Pa. R.C.P. 237.1	\$ 50.00
Prepare Default Judgment	\$175.00
Research, prepare and obtain re-issued Writ	\$175.00
Prepare Praecepto to Amend	\$100.00
Prepare Motion to Amend	\$150.00
Prepare Motion for Alternate Service	\$250.00

Prepare Motion to Consolidate Claims	\$250.00
Amend claim to add United States as defendant	\$250.00
Prepare Writ of Execution	\$800.00
Preparation for sheriff's sale; review schedule of distribution and resolve distribution issues	\$400.00
Prepare Motion to Continue Sheriff's Sale	\$ 50.00
Prepare Petition for Free and Clear Sale	\$400.00
Preparation and service of Subpoena	\$100.00
Presentation of Motion or Petition	\$ 50.00
Services not covered above At an hourly rate between	\$75.00-\$275.00/hr

(b) Collection Fees.

Validation notice	\$ 25.00 per notice
Notice of delinquent claim and fee shifting	\$40.00 per notice, plus postage
Bookkeeping fee for payment plan of 3 months or less	\$25.00
Bookkeeping fee for payment plan more than 3 months	\$50.00
Handling fee for returned Check	\$35.00

Commented [MKH1]: This is not a correct characterization of the fee. The language that we drafted for it should be used: "Notice of delinquency claim and fee shifting."

Commented [MKH2]: Section 208-4(C) provides: "An administrative fee, not to exceed \$50, as well as all costs incurred in mailing a notice of delinquency, shall be added to the unpaid claim."

Without repealing that subsection, both will end up being in force. I would therefore repeal Section 208-4(C).

Commented [SD3R2]: No issue as long as the \$50 from 208-4© was intending to cover these items

In addition to the Collection Fees set forth under Subsection 1(b) above, the amount of out-of-pocket charges, costs, expenses, commissions and fees incurred in connection with the filing, preservation and collection of the MCTLA Unpaid Claims, including, but not limited to, prothonotary fees and charges, sheriff fees and charges, postage expenses, title search expenses, vehicle identification number (VIN) search expenses, skip tracing and/or other investigatory service expenses, and the costs, fees, charges and/or expenses arising out of any payment by any credit card, debit card or any other payment medium, are hereby approved and shall be included, upon incurrence, together with the applicable MCTLA Unpaid Claim

Section 2.

Chapter 208, Municipal Claims and Delinquent Taxes, Article I Collection of Fees and Costs For Delinquent Accounts, §208-4(B) shall be replaced as follows:

Interest will be assessed upon the Unpaid Claims at a rate of 10% per annum and added to the Unpaid Claims. The City is permitted to waive any interest on any Unpaid Claim when the City or any attorney and/or third-party collector collecting the Unpaid Claim believes, in its discretion, that such amount is de minimis or that the cost or burden of continuing collection outweighs the benefit of collecting the interest.

Formatted: Indent: Left: 0.5"

Formatted: Font: Not Bold

Section 3.

Chapter 208, Municipal Claims and Delinquent Taxes, Article I Collection of Fees and Costs For Delinquent Accounts, §208-4(C) shall be removed and repealed.


Section 42. Severability. Should any section, paragraph, clause or phrase of this Ordinance be declared unconstitutional or invalid by legislation or a court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby, and shall remain in full force and effect.

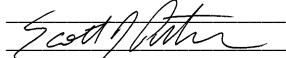
Section 53. Effective Date. This Ordinance shall take effect on the earliest date permitted pursuant to applicable law.

DULY ORDAINED, ENACTED AND ADOPTED BY THE COUNCIL OF THE CITY OF WASHINGTON THIS 3RD DAY OF AUGUST 2023.

ATTEST:

CITY OF WASHINGTON


Michelle Sperl, City Clerk


Scott J. Putnam, Mayor



Commented [MKH4]: Interest - Proposed PLA language removed, so what exists now will remain in force:

"Interest shall be assessed upon all taxes, tax claims and municipal claims at a rate of 10% per annum added to the tax and municipal claim."

Our suggested language in the new ordinance is:

"Interest. Interest will be assessed upon the Unpaid Claims at a rate of 10% per annum and added to the Unpaid Claims. The City is permitted to waive any interest on any Unpaid Claim when the City or any attorney and/or third party collector collecting the Unpaid Claim believes, in its discretion, that such amount is de minimis or that the cost or burden of continuing collection outweighs the benefit of collecting the interest. "

The main issue we see is that we are not adding in the language to allow for the waiver of de minimis interest.