

City of New Berlin General Financial Policy	TITLE: Collection of Delinquent Accounts Policy
AUTHORIZATION DATE: 10/13/15	LAST UPDATE: 10/13/15, 1/8/19
POLICY SOURCE: Finance Committee	SCOPE: City-wide
Reviewed by City Attorney n/a	Board/Commission Approval: Finance Committee: 09/10/15, 11/08/18 Common Council: 10/13/15, 1/8/19

General

The purpose of this policy is to establish a procedure concerning any and all accounts that carry a past due balance.

Policy

TAX COLLECTIONS – TIMELY PAYMENTS

State Statutes Section *74.11, 74.12, 74.69 and 990.001(4)*

The City will follow State statutes when determining whether a property tax payment is timely.

Regulations:

- The 5-day grace period, as defined in sec. 74.11 and 74.12, WI, Stats, applies to real and personal property.
- The 5-day grace period does not change the statutory due dates of January 31 or the due dates established by city ordinance for 3 or more installments.
- The statutory due date may be adjusted however by the provisions of sec. 990.001(4), WI Stats., but the adjusted date does not further extend the 5-day grace period beyond 5 working days from the unadjusted due date of the payment.
- Property taxes are not delinquent if they are paid within the 5-day grace period.
- A payment mailed in a properly addressed envelope, that is postmarked on or before the payment due date (statutory due date or the adjusted due date under sec 990.001, WI Stats.), with postage prepaid, and received by the proper official within 5 days (not to be confused with the 5 working day grace period) is considered timely under Sec. 74.69, WI Stats. Depending on timing, the 5 working day grace period may extend the time allowed for a payment timely mailed.

Examples:

- A payment postmarked on or before January 31 and received within 5 working days is **not** delinquent.
- A payment postmarked Feb 4 but received within 5 working days of January 31 is **not** delinquent.
- A payment postmarked on or before January 31 and received 6 or more working days after January 31 **is delinquent** (provided sec. 74.69(2), WI Stats., does not apply).
- A payment postmarked on or before January 31 and received on Feb 3 can be collected by the taxation district treasurer (sec. 74.11 (6) (a), WI Stats.).
- January 31 falls on a Sunday. A payment postmarked on or before Feb 1 and received within the latest of, 5 working days from January 31 or 5 days from Feb 1 is **not** delinquent.
- A property owner that makes a payment in person within 5 working days of January 31 is **not** delinquent.

COLLECTION OF DELINQUENT ACCOUNTS

PERSONAL PROPERTY TAXES

Personal property taxes shall be considered delinquent if not paid in full by the due date, as established by Wisconsin State Statutes.

A complete listing of delinquent Personal property shall be maintained including Tax Key number, name, address, phone number and status.

As of April 15th, a listing shall be prepared of all remaining delinquent Personal property taxes including the following:

- Tax Key Number
- Business Name/Owner Name
- Address
- Phone Number
- Taxes due with interest

The list shall be sent to the City Attorney and the City's collection agency to collect the remaining amounts due.

Each year, the Finance Director will review any and all delinquent Personal Property taxes outstanding from previous years, and recommend to the Common Council a list, based on information from the collection agency, of those taxes deemed to be uncollectible. A Delinquent Personal Property tax listing will be posted on the City Website

COLLECTION OF DELINQUENT ACCOUNTS

AMBULANCE FEES

The City has two categories of account write-offs: (1) statutory – to comply with the legal allowable amounts that will be paid under government insurance programs, and (2) City approved – these are write-offs of accounts that have been deemed by the contractor and the City to be uncollectible. This policy addresses only the City-approved category. The City does not have discretion regarding the statutory write-offs.

The City will follow the collection agency recommendation writing off delinquent accounts.

COURTS

- 1) If a defendant does not pay by his court date or show for court, they are sent a default letter and given 30 days to pay.
- 2) Once past due all outstanding balances are put on the Tax Refund Intercept Program (TRIP)
- 3) In addition to TRIP for non-payment:
 - a) Minor traffic citations the individuals license is suspended for non-payment
 - b) OWI's, No valid driver's license, and multiple operating while suspended an operating after revocation and non-traffic (18 and older) are issued a summons to appear for a poverty hearing. If they do not appear or comply with the payment arrangement a Writ of Commitment is issued.
 - c) Zoning violations are issued a summons to appear for a poverty hearing. If the defendant does not appear or comply with the payment arrangement, a judgment is entered in Circuit Court putting a lien on the property.
 - d) Juveniles have their license suspended. If they do not have a license, the suspension commences at the time they apply for their license.
 - e) Unpaid parking citations result in a suspension of the vehicle registration.

RETURNED CHECKS – NSF CHARGES

WATER/WASTEWATER/WATER RESOURCE MANAGEMENT

Effective April 1,1997 it is the policy of the City of New Berlin Water, Water Resource Management and Wastewater Utilities to assess a \$25.00 penalty to the sewer portion of a bill if payment is made with an NSF check.

A \$25.00 penalty will be assessed to an account when a check is returned by customer's bank for insufficient funds. The penalty applies to the sewer portion of the payment.

Upon receiving NSF check, the following steps should be followed:

1. The account should be debited for the amount of payment returned. Separate the payment between water and sewer. Debit (charge back) the account through the name screen of the billing system.

2. The \$25.00 penalty is to be assessed to the account.
3. Write a letter to the customer informing him/her that the check was returned by the bank. Inform customer of the balance on the account and that a \$25.00 penalty was assessed. Inform customer of due dates and further penalties that will apply on their account if payment is not made.
4. File letter and backup paperwork in customer file.

PERMITS, LICENSES AND MISCELLANEOUS CHECKS

Effective January 1, 2000 it is the policy of the City of New Berlin Finance Department to assess a \$25.00 penalty if payment is made with an NSF check.

Upon receiving NSF check the following steps should be followed:

1. The account should be debited by the Finance Director for the amount of payment returned.
2. Write a letter to the customer informing him/her that the check was returned by the bank. Inform customer that a \$25.00 penalty was assessed, due dates and further penalties that will apply on their account if payment is not made, and license/and or/permit invalid if payment not made. Inform originating department of the return check.
3. File letter and backup paperwork in customer file.

REAL ESTATE AND PERSONAL PROPERTY TAXES

Effective January 1, 2000 it is the policy of the City of New Berlin Finance Department to assess a \$25.00 penalty to the taxes if payment is made with an NSF check.

Upon receiving NSF check the following steps should be followed:

1. The account should be debited by the Finance Director for the amount of payment returned.
2. Write a letter to the customer informing him/her that the check was returned by the bank. Inform customer of the balance of the tax bill, and that a \$25.00 penalty was assessed. Inform customer of due dates and further penalties that will apply on their account if payment is not made. Copies of the bad check and an updated tax bill payment screen will be sent with the letter.
3. File letter and backup paperwork in customer file.

This policy was reviewed and approved by the Finance Committee and Common Council and signed by Mayor David Ament on the 15th day of Jan., 20 19 as evidenced by his signature hereon. Three signed originals of this policy have been generated. One original is maintained in the City Clerk's office, the second original is maintained in the Finance Department, and the third original is maintained in the Mayor's Office. This policy may only be modified by the Finance Committee with Common Council approval.

A handwritten signature in black ink, appearing to read "David A. Ament". The signature is written in a cursive style with a large initial "D" and "A".

David A. Ament, Mayor

