**UPPER MACUNGIE TOWNSHIP**

**Lehigh County, Pennsylvania**

**Ordinance 2015-04**

**(Adopted June 23, 2015)**

**AN ORDINANCE OF THE TOWNSHIP OF UPPER MACUNGIE,**

**ADOPTING PROCEDURES AND FEE SCHEDULES** **FOR THIRD PARTY**

**COLLECTION OF DELINQUENT ACCOUNTS.**

**WHEREAS**, Upper Macungie Township (the "Township") is a 2nd Class Township operating under the Pennsylvania 2nd Class Township Code, 53 P.S. 65101, et seq.; and

**WHEREAS**, the Township imposes certain taxes, sewer rentals and tapping fees, refuse collection fees, as well as other lawful assessments on Township residents, businesses and properties; and

**WHEREAS**, the Township has certain delinquent accounts associated with sewer rentals; solid waste collection fees and other fees and accounts which the Township desires to collect; and

**WHEREAS**, the Township has engaged a third party collection agency (the

"Agency") for the purpose of efficiently collecting the Accounts; and

**WHEREAS**, the Municipal Claims and Tax Lien Act (the "Act"), 53 P.S. §7101, et seq., authorizes the addition of "charges, expenses and fees incurred in the collection of any delinquent account" to the total amount payable with respect to unpaid sewer rentals and charges; and

**WHEREAS,** the Township, through Ordinance 2004-08 previously established a schedule of attorney fees for services in connection with the collection of accounts, which were determined to be fair and reasonable compensation for the services performed in collecting certain Accounts; and

**WHEREAS**, the Township desires to amend the previously adopted schedule of fees by imposing additional Agency Fees for certain services in connection with the collection of certain delinquent accounts owed by the residents and/or property owners of the Township.

**NOW, THEREFORE, BE IT ENACTED and ORDAINED** by the Upper Macungie Township Board of Supervisors, the Township Account Collection Procedure and Fees shall be as set forth below:

 1. The Township shall engage the Agency for the purpose of collecting delinquent Accounts.

 2. The engagement of the Agency shall be confirmed by a written agreement and the agreement shall be approved by the Township Solicitor and by a Resolution of the Township Board of Supervisors.

 3. “Delinquent Account” – Any Township account having an unpaid balance after sixty (60) calendar days from the date upon which said account became due and payable shall be considered a Delinquent Account. This shall include, but not be limited to, fees and charges related to sewer, refuse and other Township accounts and shall include any principal amounts as well as any incurred penalties and interest as set forth in Code of Ordinances of the Township.

 4. Schedule of Agency Fees.The Township hereby approves and adopts the following schedule of Agency Fees for services in connection with the collection of Delinquent Accounts, which is hereby determined to be fair and reasonable compensation for the services as set forth below:

 a. Agency fees are not to exceed 20% of Delinquent Account balance.

 b. There shall be added, to the above amounts, the reasonable out- of-pocket expenses of counsel in connection with each of these services, as itemized in the applicable bills, which shall be deemed to be part of the Agency Fees.

 c. The amount of fees determined as set forth above shall be added to the Township's claim in each Account.

 d. The Schedule of Fees may be modified from time to time by Resolution of the Board of Supervisors.

 5. Collection Procedures – Agency Fees. The following collection procedures are hereby established to be the Policy of the Township related to the Agency and the imposition of Agency Fees:

 a. Accounts may be assigned by the Township Manager or his designee to the Agency on or after the 61st day of the delinquency.

 b. Between the 61 st and 100th day of delinquency, the Agency shall make reasonable efforts at collecting the Account, including:

 i. Contacting the delinquent account holder by telephone; and/or

 ii. Contacting the delinquent account holder by mail.

 iii. At the discretion of the Township Manager or his designee, utilizing other methods and procedures available to the Township to enforce collection of Delinquent Accounts, including terminating water service (for delinquent sewer accounts) and filing of municipal liens to be performed in accordance with Statute of Ordinance.

 c. The Agency shall accept offers by Account holders to establish payment plans to satisfy outstanding balances if the outstanding balance exceeds three hundred dollars ($300.00); however, if the nature of the delinquent account involves a municipal "claim" as defined by the Act, no payment plan shall exceed six (6) months from the date that the service giving rise to the claim occurred as the Act imposes a six month Statute of Limitations on municipal "claims.'' In the event that there is a question as to whether the Account is subject to this six (6) month Statute of Limitations, the Agency shall consult with the Township Solicitor to insure that the Statute of Limitations does not expire.

 d. Any other procedure performed in accordance with the with the terms of the Township's written agreement with the Agency.

 e. Any Agency Fees assessed in accordance with the foregoing Fee Schedule shall be forwarded to the Agency in accordance with the term of the Township's written agreement with the Agency.

 ENACTED AND ORDAINED the 23 day of June, 2015 by the Board of Supervisors of the Township of Upper Macungie, Lehigh County, Pennsylvania, in lawful session duly assembled.

 TOWNSHIP OF UPPER MACUNGIE,

 LEHIGH COUNTY, PENNSYLVANIA

ATTEST: BOARD OF SUPERVISORS

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Secretary Chairman