SUBJECT:
Collection of Delinquent Utility Accounts

PURPOSE:
The intent of this policy is to create a uniform written process for the collection and handling of delinquent utility accounts consistent with the recommendations contained in the 1996 fiscal year audit of the City’s enterprise funds and subsequent City Council approvals.

POLICY:

1. Utility bills not paid by their due date shall be considered delinquent. Late charges for delinquent bills shall be assessed as established in the City fee schedule.

2. If a delinquent utility bill is not paid by the due date of the following month, a doorhanger disconnection notice shall be delivered to the service address and a charge will be assessed as established in the City fee schedule.

3. This doorhanger will indicate City utility services will be disconnected by a date certain if payment is not received at City Hall (minimum 48 hours from delivery of notice).

4. If utility service is discontinued, reconnection shall not be permitted until all past bills, penalties, reconnection charges and penalty deposits are paid.

5. If the utility account is not paid and service restored, the City shall continue to try and collect this utility account for 90 days during which two to three contacts (by letter or otherwise) shall be made to the individual responsible for this account.
6. If after 90 days the account still has not been paid or payment schedule agreed to in writing (and complied with), this account shall be turned over to a collection agency.

7. The City reserves the right to utilize small claims court for certain accounts on a case-by-case basis where applicable.

8. The delinquent account shall remain with the collection agency for no more than two years, at which time it will be returned to the City for subsequent action where applicable.

9. Interest on the delinquent account shall cease to accrue once returned from collection agency.

10. For the purposes of projecting anticipated revenue and accounts receivable, delinquent utility accounts shall be removed from the City’s books when these accounts are turned over to the collection agency.

11. Unpaid delinquent accounts shall be maintained as a matter of record for an indefinite period for the purposes of collecting this account if a delinquent customer attempts to reestablish utility services from the City of Negaunee in the future.

12. For the purposes of notifying a landlord or a landlord/tenant relationship exists, the landlord shall receive a notice of the account balance after account has been closed.

13. For delinquent utility accounts of tenants (not property owner) where a lease and tenant responsibility form are not on file with the City, a notice of lien may be filed with the County and this unpaid bill shall be placed on the tax rolls of the affected property as permitted by City ordinance.

14. All delinquent bills of property owners shall be subject to the filing of notice of lien and the placing of delinquent utilities on the tax rolls with interest being charged as per City ordinance.

___________________________    ________________________
City Manager       Employee Receipt of Acknowledgment

_________________________    _______________________
__________________________    Print Name
Date Adopted

__________________________
Print Name

__________________________
Date