

TOWN OF SEABROOK ISLAND

ORDINANCE NO. 2023-10

ADOPTED _____

AN ORDINANCE RELATING TO THE RECOVERY OF COLLECTION COSTS AS PART OF DELINQUENT DEBTS COLLECTED PURSUANT TO THE SETOFF DEBT COLLECTION ACT.

WHEREAS, the Town of Seabrook Island is a claimant agency as defined in the Setoff Debt Collection Act, S.C. Code Ann. § 12-56-10, et seq. (the Act) and is therefore entitled to utilize the procedures set out in the Act to collect delinquent debts owed to the Town of Seabrook Island; and

WHEREAS, “delinquent debt” is defined in the Act to include “collection costs, court costs, fines, penalties, and interest which have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made;” and

WHEREAS, the Town of Seabrook Island has contracted with the Municipal Association of South Carolina to submit claims on its behalf to the SC Department of Revenue pursuant to the Act; and

WHEREAS, the Municipal Association of South Carolina charges an administrative fee for the services it provides pursuant to the Act; and

WHEREAS, the administrative fee charged by the Municipal Association of South Carolina is a cost of collection incurred by the Town of Seabrook Island that arises through contract, and is therefore properly considered as a part of the delinquent debt owed to the Town of Seabrook Island as that term is defined in the Act; and

WHEREAS, the Town of Seabrook Island also incurs internal costs in preparing and transmitting information to the Municipal Association, which costs are also collection costs that are a part of the delinquent debt owed to the Town of Seabrook Island; and

WHEREAS, the Town of Seabrook Island may desire to recover its internal costs of collection by adding such costs to the delinquent debt;

NOW THEREFORE, be it enacted by the Mayor and Council of the Town of Seabrook Island as follows:

1. The Town of Seabrook Island may impose a collection cost of up to \$25.00 to defray its internal costs of collection for any delinquent debts that are sought to be collected pursuant to the provisions of the Setoff Debt Collection Act, S.C. Code Ann. § 12-5610 et. seq. This cost is hereby declared to be a collection cost that arises by operation of law and shall be added to the delinquent debt and recovered from the debtor.

2. The Town of Seabrook Island hereby declares that the administrative fee charged by the Municipal Association of South Carolina is also a collection cost to the City/Town, which shall also be added to the delinquent debt and recovered from the debtor.

3. All Ordinances in conflict with this Ordinance are hereby repealed.

4. This Ordinance shall be effective on the date of final reading, provided however, that this ordinance is declared to be consistent with prior law and practice and shall not be construed to mean that any fees previously charged to debtors as costs of collection under the Act were not properly authorized or properly charged to the debtor.

SIGNED AND SEALED this ____ day of _____, 2023, having been duly adopted by the Town Council for the Town of Seabrook Island on the ____ day of _____, 2023.

First Reading: August 22, 2023
Public Hearing: September 26, 2023
Second Reading: September 26, 2023

TOWN OF SEABROOK ISLAND

John Gregg, Mayor

ATTEST

Katharine E. Watkins, Town Clerk