



CITY MANAGER MEMORANDUM
#27-2022

DATE: April 11, 2022

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager 

FROM: Jason Johnson, Municipal Court Supervisor
Rupa Venkatesh, Assistant to City Manager 

SUBJECT: CB-1981 – Maximum Collection Costs for Outstanding Fees

PURPOSE

To consider CB-1981, an ordinance on second reading that would amend Section 8-2-3, Subsection (e) of the Municipal Code regarding maximum collection fees imposed upon defendants who have outstanding fines and fees. It would change the maximum collections fees from 25% to 18% as consistent with State law.

BACKGROUND

The Municipal Court handles all traffic, code, juvenile, and criminal cases in violation of the Municipal Code. When cases are processed and arrive at sentencing, the Judge imposes a penalty including fines and fees. Full payment for fines and fees is due at the time of sentencing. Should the defendant need time to pay, arrangements are made with respect of the defendant's ability to pay. This ability is based on multiple factors.

When the defendant needs more time to pay their fines and fees, their case is set for a Stay of Execution or "stay" hearing for the Judge to determine next steps. If the defendant pays their fine in full before their "stay" hearing, the case is closed immediately. If their fine is not paid in full, the Judge can decide to close the case and refer all fines and fees to collections. If collections is determined, the information is sent to the City's contracted collections agency, Integral Recoveries, Inc.

When the information is sent to the collection agency, they assess a 25% collections fee on all cases. This fee is paid directly from the defendant to the collection agency, and the Court never receives any funds related to the collection fee.

UPDATE

On March 21, 2021, Senate Bill 21-055 was signed into law. This law, amongst many things, limits collections agencies to not exceed 18% in their collection costs associated with any debt. The law specially refers to State agencies, private collection agencies and private attorneys, but does not mention cities or municipal courts.

Currently, Integral Recoveries is utilizing a 20% collection cost associated with any new debt sent to them from the Municipal Court. The law would automatically apply to fees Integral could charge as they are a private collection agency. However, in the interest of being consistent with the State legislation, this ordinance amendment is being proposed.

BUDGET/TIME IMPLICATIONS

There are no financial impacts to the City. The proposed change in collection cost would change the collection agency's agreement with the defendant.

STAFF RECOMMENDATION

Staff recommends approval of CB-1981 on second reading.

STAFF REFERENCE

If Council members have any questions, please contact:

- Jason Johnson, Court Supervisor, at jjohnson@northglenn.org or 303.450.8703
- Rupa Venkatesh, Assistant to City Manager, at rvenkatesh@northglenn.org or 720.376.8069

CB-1981 – Maximum Collection Costs for Outstanding Fees

SPONSORED BY: MAYOR LEIGHTY

COUNCIL MEMBER'S BILL

ORDINANCE NO.

No. CB-1981
Series of 2022

Series of 2022

A BILL FOR AN ORDINANCE AMENDING SECTION 8-2-3 OF THE NORTHGLENN MUNICIPAL CODE REGARDING MUNICIPAL COURT COSTS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Subsection (e) of Section 8-2-3 of the Northglenn Municipal Code is amended to read as follows:

Section 8-2-3. Sentencing and Assessing Costs.

...

(e) In the event a defendant fails to pay any fine, penalty, cost, fee, or restitution ordered by the Municipal Judge by the date so ordered, the Municipal Judge may refer a portion or all of the unpaid amount to a collection agency for collection, and the Municipal Judge may order the defendant to pay an additional amount not to exceed 18% ~~25%~~ of the amount collected. The Municipal Judge shall have such authority regardless of the date upon which the fine, penalty, cost, fee, or restitution order was issued.

INTRODUCED, READ, AND ORDERED POSTED this 28th day of March, 2022.


MEREDITH LEIGHTY
Mayor

ATTEST:


JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _____,
2022.

MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:



COREY Y. HOFFMANN
City Attorney