



CITY OF CLAY, ALABAMA ORDINANCE 2016-02

AN ORDINANCE ESTABLISHING A DEBT SETOFF AND APPEALS PROCEDURE

In accordance with the authority vested by the Mayor in to establish procedures as required by Ala Code § 40-18-100 *et. seq.*, by which the City of Clay (the “City”) may collect delinquent debts through Municipal Intercept Services, LLC (“MIS”) and to establish procedures by which individual debtors may contest the setoff of a debt against their Alabama State income tax refund, the following procedures are hereby adopted, entered and established:

Section 1. Definitions:

- (a) General Debt: Money owed by an individual taxpayer to the City, and which has remained unpaid and delinquent for at least sixty (60) days after the debt is finalized by ordinance or resolution of the City Council.
- (b) Judgement Debt: Money owed by an individual taxpayer to the City, which has been finalized by an order of a court of law, including but not limited to fines, court costs, and other penalties, and which has remained unpaid and delinquent for at least sixty (60) days since entry of the order. No action of the City Council is required to finalize a Judgement Debt.

Section 2. When an individual taxpayer owes the City a General Debt or a Judgement Debt of twenty-five dollars (\$25.00) or more, and such debt is past due and remains unpaid, the City of Clay may submit the debt to the Alabama Department of Revenue through MIS for collection no sooner than sixty (60) days after the debt is finalized by law, ordinance or resolution.

Section 3. Prior to submitting a General Debt to MIS, the City Manager shall send notice to the debtor by first class, certified or registered mail at their last known address, that unless the debt is paid in full within seven days of the notice, the City intends to submit the debt to MIS for collection by setoff against the individual’s Alabama State income tax refund. The notice shall also inform the debtor that they may contest the debt by presenting to the City Manager either in person or in writing, evidence that they have paid the debt or do not owe the debt. Any such evidence must be presented within seven (7) days of the date of the notice. In the case of a Judgement Debt which has been finalized by a court of law, no such notice shall be required.

Section 4. After review of any evidence submitted by the debtor relating to a General Debt, or upon the failure of the debtor to submit any evidence, the City Manager shall (a) acknowledge that the debt has been satisfied, (b) adjust or reduce the debt, or (c) submit the debt to the City Council to be finalized by resolution.

Section 5. Upon presentation of General Debts determined by the City Manager to be owed to the City, the City Council shall adjust or reduce the debt, declare the debt to be satisfied

or affirm and finalize the debt by resolution. Any General Debt so finalized may be submitted to MIS for collection after the expiration of sixty (60) days from the date it is finalized by the City Council.

Section 6. Upon notification to MIS that the Alabama Department of Revenue has intercepted a tax refund MIS, on behalf of the City, will send notification to the debtor of the debtor's rights to appeal the setoff within thirty (30) days of the date of the notice. The notice sent by MIS will also be addressed to a joint filer, if any, and provide notification, as required by law, of the appeal rights of any such joint filer. Failure of the debtor, or joint filer is applicable, to request a hearing within thirty (30) days after the mailing of the notice shall be deemed a waiver of the opportunity to appeal the setoff.

Section 7. Upon receipt of a request for a hearing under Section 6, the City Manager shall schedule a hearing with the debtor or taxpayer and the Mayor as soon as practicable after the filing of the request, provided however that the debtor or taxpayer shall be advised of the time and place of such hearing at least fifteen (15) days in advance thereof. At such hearing, the debtor or taxpayer may present evidence to the Mayor, who shall hear the appeal and submit his or her findings and recommendation regarding the debt to the City Council at its next regular meeting. The City Council, in its discretion, shall review the recommendations of the Mayo and shall either affirm, amend, or refund the setoff. The decision of the City Council shall be final, and no further appeals may be taken.

ADOPTED AND APPROVED this 19th Day of January, 2016.

_____	ATTEST: _____
Charles K. Webster Mayor	Ronnie Dixon City Manager



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I, the undersigned City Manager of the City of Clay, Alabama, do hereby certify that the above and foregoing is a true copy of one Ordinance lawfully passed and adopted by the City Council named therein, at a regular meeting of such Council, and that such resolution is on file in the City Clerk's Office.

I further certify that said Ordinance was posted as required by State Law at the following locations: Chalkville Regions Bank; Clay City Hall; Clay Post Office and the Clay Seniors Center all being in the City of Clay.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 20th day of January, 2016.

Ronnie Dixon
City Manager