

ORDINANCE NUMBER O- 20036 (NEW SERIES)

DATE OF FINAL PASSAGE ~~APR 8 2011~~ **APR 8 2011**

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 2, DIVISION 17 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTION 22.1707, ALL RELATING TO THE COLLECTION OF DEBTS OWED TO THE CITY AND THE AUTHORITY OF TREASURER.

WHEREAS, it is the policy of the City of San Diego to establish fees to recover the cost of providing services in accordance with the San Diego Administrative Regulation 95.25; and

WHEREAS, in order to provide a more comprehensive and accessible means of providing rate and fee information to the public, San Diego Administrative Regulation 95.25 directs City staff to transfer specific fee schedules listed in the San Diego Municipal Code and Council resolutions to the rate book of City fees and charges maintained by the City Clerk; and

WHEREAS, while most fees have been transferred to the Clerk's rate book, some references to specific fee schedules still exist in the San Diego Municipal Code and other City legislative documents; and

WHEREAS, section 22.1707(b) of the San Diego Municipal Code references the amount to be charged if a debt is referred to the Office of the City Treasurer for collection; and

WHEREAS, this amount should be deleted from the San Diego Municipal Code and transferred to the Clerk's rate book; and

WHEREAS, the Office of the City Treasurer provides collection services to City departments and other public entities in accordance with the California Constitution and the

California Government Code, which authorize local jurisdictions to impose fees, charges, and rates in order to recover costs associated with the provision of services; and

WHEREAS, the Office of the City Treasurer evaluated the costs and revenues associated with providing collection services in 2005 and recommended an increase in the existing collection referral fee; and

WHEREAS, the Council of the City of San Diego (City Council) held a properly noticed public hearing at which oral and written presentations were made regarding the proposed new and amended rates and fees; and

WHEREAS, the City Council passed San Diego Resolution R-300713 on July 25, 2005 approving the adjustment to existing collection referral fee and directing the City Clerk to amend the City rate book to include this fee; and

WHEREAS, the City has not yet deleted the collection referral fee amount from the San Diego Municipal Code as directed in San Diego Resolution R-300713, although the rate book of fees has been amended to include the collection referral fee as directed; and

WHEREAS, the San Diego Municipal Code erroneously refers to the imposition of interest on unpaid debts referred for collection as an “interest fee” rather than “interest”; and

WHEREAS, the City wishes to amend section 22.1707(c) of the San Diego Municipal Code to make clear that interest imposed on unpaid debts referred for collection is not a fee but compensation to which the City is entitled in exchange for forbearance of money owed; and

WHEREAS, the San Diego Municipal Code references an interest rate that applies in some, but not all, debt collection scenarios, as the interest rate charged by the City may vary depending on the type of debt to be collected; and

WHEREAS, the City wishes to amend section 22.1707(c) of the San Diego Municipal Code to state that the City will charge the highest rate of interest allowed by law. NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 2, Article 2, Division 17 of the San Diego Municipal Code is amended by amending section 22.1707, to read as follows:

**§22.1707 Collection of Debts Owed to The City- Authority of Treasurer**

(a) [No change in text.]

(b) Referral Fee.

Once a delinquent account has been referred to the City Treasurer for collection, the Treasurer may charge any person indebted to the City a referral fee to cover the costs of collection in the amount set forth in the Composite Rate Book maintained by the Office of the City Clerk.

(c) Interest Charge.

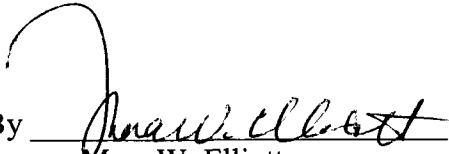
Notwithstanding any other provisions of the San Diego Municipal Code, the City Treasurer is hereby authorized to charge the highest rate of interest allowed by law per year on accounts referred for collection, such interest to commence on the date of referral by an administering department.

(d) through (e) [No change in text.]

Section 2. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Mara W. Elliott  
Deputy City Attorney

MWE:als  
01/06/11  
Or.Dept: CityTreasurer  
O-2011-63

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of ~~MAR 29 2011~~

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 4.8.11  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

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JERRY SANDERS, Mayor