

FIRST READING

8-2-11

SECOND READING

8-9-11

ORDINANCE NO. 12535

AN ORDINANCE CREATING A NEW SECTION 2-110 TO ALLOW FOR THE CITY TREASURER TO ACCEPT THE PARTIAL PAYMENT OF PROPERTY TAXES AND WATER QUALITY FEES.

WHEREAS, Public Chapter No. 660 of the 2010 Public Acts and T.C.A. § 6-56-109 authorizes any municipality that collects its own property taxes to accept partial payments of local real property taxes and the City Treasurer is authorized to collect water quality fees pursuant to Chattanooga City Code § 31-353; and

WHEREAS, The Mayor and City Council of the City of Chattanooga, Tennessee believe that such a partial payment program is in the best interest of the City;

NOW, THEREFORE,

SECTION 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, that Part II, Chapter 2, City Treasurer, shall be amended to include the following as a new subsection 2-110:

2-110. Partial Payments of property taxes and water quality fees:

- (a) The City Treasurer shall accept partial payments of annual property taxes and water quality fees beginning October 1. Notwithstanding the following schedule, the entire amount of taxes and fees due must be paid in full prior to the first day of March following the year of levy otherwise interest and penalties will be applied on balance on March 1.
- (b) No penalties, fines, interest or other fees shall be assessed against the payer of taxes or fees except as provided by the Chattanooga City Code and/or the laws of the State of Tennessee.
- (c) Prior to the final reading of this ordinance, the City Treasurer shall transmit to the State Comptroller of the Treasury a copy of this ordinance which shall serve as the plan required by T.C.A. § 6-56-109(b). To fulfill this requirement, the City hereby declares that:

1. The City has the appropriate accounting technology to implement this program; and
 2. The City can implement this program within existing resources.
- (d) The City's Partial Payment Plan will be as follows:
1. Current year property tax bills are mailed in September with a due date of October 1. Taxes may be paid without penalty and interest through February of the following year.
 2. Prepayments for current year taxes and water quality fees may be made any time during the calendar year in which assessed. Payments made prior to billing for a calendar year must be made in person at the City Treasury.
 3. Any partial payment or property taxes other than electronic transfer made within ten (10) days of the delinquency date, or at any time following such delinquency date, may subject the property to a tax lien and enforcement by tax sale or other legally authorized procedures.
 4. Partial payments of **PROPERTY TAXES** and **WATER QUALITY FEES** are subject to the following:
 - A. This plan shall NOT apply to the following:
 - i. Properties that have applied for bankruptcy;
 - ii. Escrow accounts.
 - B. No more than one (1) partial payment shall be made in one calendar month;
 - C. May not be made in installments of less than \$50.00, except for final payment;
 - D. Cancelled Check will serve as a receipt for taxpayers who mail in payments by check.
 - E. Payments received March 1 or later following year of levy are subject to penalty and interest.
 - F. Any voucher issued pursuant to a tax relief program shall be used as all or a portion of the final payment.
 - G. Payments made after the delinquency date or after the last day of February will be applied as outlined below in Item K.
 - H. Partial payments received on or after the first day of any month following the last day of February will decrease the penalty and interest for the following month only.
 - I. Partial payment may be made by cash (except for mail in payments), credit card (including online payments), debit card, check or money order.
 - J. Partial payments will be applied to the oldest year with delinquent amounts due not in bankruptcy.
 - K. Partial payments will be applied in the following order:
 - i. Payment of Water Quality Fee.

- ii. Oldest year first for current owner
 - a. Interest
 - b. Fee
 - iii. Property taxes
 - a. Oldest year first not filed in Chancery Court
 - (1) Interest and penalty
 - (2) Tax
- L. Any partial payments except electronic payments must be remitted to: Office of City Treasurer, 101 East 11th Street, Suite 100, Chattanooga, TN 37402.

SECTION 2. This Ordinance shall take effect from and after its final passage, the public welfare requiring it.

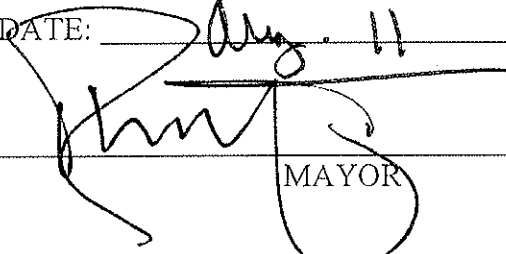
PASSED on Second and Final Reading
August 9, _____, 2011.



CHAIRPERSON

APPROVED: _____ DISAPPROVED: _____

DATE: Aug. 11 _____, 2011.



MAYOR

PAN/kac