

AN ORDINANCE No. 87-114-81

ADOPTED MAY 11 1987

To amend the Code of the City of Richmond, 1985, by adding in Chapter 30, Utilities, Article I, In General, a new section numbered 30-3 imposing a fee or service charge in the amount of \$20.00, to be assessed to and collected of any person who utters, publishes, or passes any check or draft, for the payment of a bill or statement for services or commodities provided by a City utility or for a deposit required for obtaining such services or commodities, or any other sum due the City, if such check or draft is subsequently returned unpaid because of insufficient funds in the account upon which drawn, because there is no account, or because the account has been closed, and to repeal Sections 30-187 and 30-337 of said Code.

Patron - City Manager

Approved as to form and legality
by City Attorney

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Code of the City of Richmond, 1985, be and is hereby amended by adding in Chapter 30, Utilities, Article I, In General, a new section numbered Sec. 30-3 as follows:

Sec. 30-3. Check or draft in payment of utility charges for services, commodities or deposits; service fee or charge of twenty dollars upon nonpayment for insufficient funds, no account, or account closed.

A fee or service charge in the amount of twenty dollars (\$20.00), as authorized in § 15-29.4 of the Code of Virginia of 1950, as amended, be and is hereby imposed upon and shall be collected from each person, firm, corporation,

or other entity, regardless of form or nature, uttering, publishing or passing to the City in payment of any bill or statement tendered for services or commodities provided by the city, or as a deposit required for obtaining such service or commodities from a city-owned or operated utility, a check or draft, if such check or draft shall be returned to the city because of insufficient funds in the account upon which drawn, because there is no such account, or because the account upon which drawn has been closed prior to the time such check or draft is presented for payment.

§ 2. That Sections 30-187 and 30-337 of the Code of the City of Richmond, 1985, as follows, be and are hereby repealed:

Sec. 30-187. Charge to be assessed for checks returned from banks for insufficient funds or other reasons.

When a check, which has been received in payment of a utility bill or in payment of a utility deposit (gas or water or gas and water), is returned by the bank for insufficient funds, or any other reason, the consumer shall pay a service charge of five dollars (\$5.00) for each returned check. This charge is to defray the administrative cost, to the city, for handling and processing such returned checks.

Sec. 30-337. Charge to be assessed for checks returned from banks for insufficient funds or other reasons.

When a check, which has been received in payment of a utility bill or in payment of a utility deposit (sewer), is returned by the bank for insufficient funds, or any other reason, the consumer shall pay a service charge of five dollars (\$5.00) for each returned check. This charge is to defray the administrative cost, to the city, for handling and processing such returned checks.

§ 3. This ordinance shall be in force and effect upon adoption.

ORDINANCE OR RESOLUTION SUMMARY
CITY OF RICHMOND, VIRGINIA

Resolution Ordinance No. 87-114	Subject
Requested by City Manager	To Amend Code - Add New Section 30-3, Establish fee for Returned Checks on Utility Bills/\$20.00
Received City Manager's Office	
Summarized 5/4/87	

SUMMARY

This Ordinance would add new section, Numbered 30-3, to the Code imposing a fee of \$20.00 for returned checks on utility bills. The Code of Virginia, Section 15-29.4 authorizes the City to impose the \$20.00 fee.

This Ordinance would also repeal Sections 30-187 and 30-337 which establishes a \$5.00 fee for returned checks for payment of utility bills.

By adding the new Section 30-3 and repealing Section 30-187 and Section 30-337, this action would in effect put the utility fee in compliance with the fee charged by the City for other returned checks.

If the fee had been imposed and collected in 1986, when 1,621 checks were returned, revenue would have increased by \$24, 315.

Effective upon adoption.

COUNCIL ACTION

On Docket 5/11/87
Amended
Adopted
Rejected