



Agenda Item Summary

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Agenda Item Title

Discussion Related to Uncollectable Parking Fines Related to Citations Issued during 2017 and Prior.

Overview

The Village conducted a parking citation amnesty program in early 2019 to waive late fines associated with parking citations issued during 2017 and prior, which allowed citation holders to pay the initial fine amount only and waived any late fees that had been associated with the unpaid citation. Staff requests the Board discuss the likelihood that the Village will receive additional payments on citations issued in 2017 and prior.

Staff Recommendation

Direct staff to prepare the necessary actions to declare parking citations issued in 2017 or prior uncollectable.

Background

In 2004, the Village conducted a parking citation amnesty program for citations issued in 2003 and prior. The amnesty program was utilized to reduce the backlog of unpaid parking citations and aid in the switch over from the old technology to the current parking citation system. In early 2019 the Village Board approved another amnesty program for citations issued between 2004 and 2017 (all citations prior to 2003 had been deemed uncollectable by the Village Board following the prior amnesty program and that data was not migrated into the prior citation database).

For the period of 2004 - 2017, the Village had about 48,000 citations that are not in collections because there has either not been a successful DMV "owner match" with the records of the Department of Motor Vehicles or the owner of the vehicle has filed for bankruptcy protection. All of the citations without a DMV match and most of the citations in bankruptcy are uncollectable.

During the 2019 amnesty program, 1,892 citations were paid. In terms of revenue, the total amount collected under the amnesty program was approximately \$60,000.

Due to the efforts made to collect on outstanding parking citations from 2017 and prior via the recent amnesty program, it is improbable that any significant future revenues will be collected on these old citations. While these citations are still in collection with the Village's vendor, Data Ticket, as time passes it becomes more challenging to collect past due amounts without utilizing leverage with credit bureau reporting which

was not authorized by the Village. In addition, the Village may also use the State of Illinois debt recovery program (IDROP) which attempts to collect on outstanding amounts by garnishing State income tax refunds. However, debt older than seven years old may not be submitted under the IDROP program. Finally, the transfer of the old citation data into the new parking citation software system is pending.

Based on the above information, it is a staff recommendation that all citations issued during 2017 and prior be deemed uncollectable. No accounting write-down against revenue will be required, as a receivable for these citations was never recorded due to their improbable nature of collection. The Village's auditing firm, Sikich LLP, approves of the write-off as a Village policy decision.

This meeting is for Village Board discussion only. Any formal write-off of debt pertaining to parking citations must be accomplished via Board approval of a Resolution.