

Memorandum

Department of Planning

To: Mike Geisel, City Administrator

From: Justin Wyse, Director of Planning *JW*

Date: October 3rd, 2023

RE: County Collection Contract



Summary

Following approval of the Wildhorse Village Special Business District and the Chesterfield Regional TIF District, Staff has been working to establish all requirements for collection of funds as part of this effort. It was determined that St. Louis County cannot collect the SBD tax with the annual property tax bills mailed to affected owners without amending our contract with St. Louis County to include “Special Business District taxes.” Additionally, collection of payments in lieu of taxes (PILOTs), is also included to allow for the collection of PILOTs in association with the Chesterfield Regional TIF District. The agreement has been reviewed by Staff and legal counsel.

Under the proposed agreement and consistent with State law, the proposal would allow the County to collect an administrative fee of not more than 1%. This system utilizes the existing collection infrastructure of the County to reduce the effort while recognizing the costs assumed by the County. All costs associated with the collection effort will be paid out of revenues directly related to the SBD and / or TIF. If the County does not collect the taxes, City staff would need to complete the tasks and costs would likely be higher as tax collection is not our primary service.

Recommendation

This item should be forwarded to the Finance and Administration Committee for recommendation. If the Committee concurs with the recommendation to move forward with this amendment to the existing collection contract, an ordinance authorizing the execution of the contract will be presented to City Council.

Attachments:

Proposed Contract for Collection Services

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT ON BEHALF OF THE CITY OF CHESTERFIELD, MISSOURI WITH ST. LOUIS COUNTY, MISSOURI FOR COLLECTION SERVICES FOR VARIOUS TAXES AND FEES.

WHEREAS, the City of Chesterfield, Missouri (the “City”), is a political subdivision duly organized and existing under the Constitution and laws of the State of Missouri, and

WHEREAS, the City of Chesterfield has previously contracted for collection services associated with real and personal property taxes, sewer lateral fees, and nuisance fees, and

WHEREAS, the Chesterfield Regional TIF District and the Wildhorse Village Special Business District have been authorized to collect taxes in order to provide services in excess of what has been provided in the past, and

WHEREAS, the City is desirous of including collection of payments in lieu of taxes (PILOTS) and Special Business District taxes to the services contracted for between the City of Chesterfield and St. Louis County.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI, AS FOLLOWS:

Section 1. The City Council hereby authorizes the City Administrator to execute on behalf of the City a Contract with St. Louis County, Missouri amending the existing contract for collection services to include collection of payments in lieu of taxes (PILOTS) and Special Business District taxes.

Section 2. This ordinance shall be in full force and effect from and after its passage and approval.

Passed and approved this _____ day of _____, 2023.

PRESIDING OFFICER

Bob Nation, MAYOR

ATTEST:

Vickie McGownd, CITY CLERK

FIRST READING HELD:

CONTRACT FOR COLLECTION SERVICES

THIS AGREEMENT, made and entered into this _____ day of _____, by and between ST. LOUIS COUNTY, MISSOURI, hereinafter called “COUNTY”, and the CITY OF CHESTERFIELD, a municipal corporation, hereinafter called “MUNICIPALITY”.

WHEREAS, COUNTY is authorized by St. Louis County Ordinance No. 19,573 to contract with any municipality in the COUNTY for the collection of its real estate taxes, personal property taxes, merchant’s and manufacturers’ uses, municipal vehicle license fees, business license fees, sewer lateral fees, certified costs of removing public nuisance debris (hereinafter “nuisance fees”) and/or payments-in-lieu-of-taxes (hereinafter “PILOTS”); and

WHEREAS, MUNICIPALITY has duly enacted Ordinance Number _____, attached hereto and made a part hereof, authorizing the execution of this agreement on behalf of MUNICIPALITY.

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations hereinafter stated, the parties agree as follows:

1. COUNTY shall:

- a. Upon timely receipt of proper certification of MUNICIPALITY’ ordinance(s) levying the taxes and fees to be collected by COUNTY, commencing with the taxes and fees levied for the year 2023, COUNTY shall extend the entries and take such other steps as are necessary to include MUNICIPALITY’S (check the boxes that apply):

- Real and personal property taxes
- Merchant and manufacturers’ tax
- Special business district taxes
- Motor vehicle fees
- Sewer lateral fees
- Nuisance fees

■ PILOTS

(hereinafter collectively referred to as “CERTIFIED TAXES, FEES AND PILOTS”) on bills issued for said year and each year thereafter until this contract is terminated. COUNTY shall have no obligation to include in its bills or attempt to collect any taxes, fees and PILOTS which are not properly certified by MUNICIPALITY in the manner and within the time prescribed in Section 2(a) of this contract.

- b. COUNTY shall use substantially the same procedures, forms and records that it uses to collect COUNTY and state taxes.
- c. Bills for MUNICIPALITY’S CERTIFIED TAXES, FEES AND PILOTS shall be issued at the time COUNTY issues bills for COUNTY and state taxes and shall be incorporated in COUNTY bills.
- d. On or before the fifteenth day of each month, COUNTY shall deliver to the Clerk, Collector, or appropriate municipal official designated by MUNICIPALITY, a detailed statement of the amounts of each CERTIFIED TAXES, FEES AND PILOTS collected during the preceding month and pay to MUNICIPALITY each amounts, less COUNTY’S compensation as hereinafter provided..
- e. Except as otherwise provided in paragraphs (f) through (h) below, furnish legal services and take the necessary legal steps to collect MUNICIPALITY’S CERTIFIED TAXES AND FEES which become delinquent during the term of this contract insofar as such taxes and fees may be collected with and as part of County’s bills for County and State taxes.

- f. COUNTY shall not be responsible for levying or collecting any late charges on delinquent motor vehicle fees.
- g. If real property is sold to a trustee in a tax sale, COUNTY shall not be responsible for collecting delinquent PILOTS, nuisance fees and sewer lateral fees on such property.
- h. The Collector is free to compromise or settle any claims for delinquent personal property taxes. In any such settlement, the Collector shall not be responsible for collecting any delinquent motor vehicle fees.

2. MUNICIPALITY shall:

- a. On or Before October 1 of each year, furnish the Director of Revenue for COUNTY 1) a certified copy of MUNICIPALITY'S ordinance(s) levying the taxes and fees to be collected by COUNTY; and 2) an appropriate designation and identification of properties subjected to any Special Business District Tax to be collected by COUNTY, in such form as may be required by the Director of Revenue. MUNICIPALITY'S motor vehicle fee ordinance shall establish no more than three classes of vehicles and the fees therefore: 1) Automobiles; 2) Trucks (including motor homes or offices, buses, vans pickups and truck-tractors), and 3) Motorcycles (including mo-peds). MUNICIPALITY shall designate no other categories nor sub-classes and shall not base fees on horsepower of vehicles.
- b. Permit COUNTY to retain from the base current and base delinquent CERTIFIED TAXES FEES AND PILOTS a commission of one percent (1%) of the amounts collected.
- c. Permit COUNTY to retain on delinquent CERTIFIED TAXES, FEES AND PILOTS a commission of one percent (1%) of all interest collected.

- d. Permit COUNTY to retain on delinquent CERTIFIED TAXES, FEES AND PILOTS the total amounts collected by COUNTY, including but not limited to all penalties and fees, which are in excess of all base CERTIFIED TAXES, FEES AND PILOTS and interest thereon.
- e. Duly enact ordinances which shall:
 - i. Assess, in addition to all base CERTIFIED TAXES, FEES AND PILOTS, the maximum interest and the maximum amounts of all monies including but not limited to all penalties and fees, which MUNICIPALITY can assess by law.
 - ii. Provide COUNTY with the right and the power to assess as applicable and collect such maximum interest and such maximum amounts of all monies.
3. COUNTY shall not be liable to MUNICIPALITY, or any other body or person, for failure or inability of COUNTY to collect any of MUNICIPALITY'S current or delinquent CERTIFIED TAXES, FEES AND PILOTS.
4. All records maintained by COUNTY with respect to the CERTIFIED TAXES, FEES AND PILOTS covered by this agreement shall at all reasonable times be available to MUNICIPALITY for inspection and copying.
5. This contract shall continue in effect from year to year. Either party may terminate this contract as of December 31 of any year by written notice to the other party not less than sixty (60) days prior thereto.
6. This contract when executed is in lieu of any previous contracts between COUNTY and MUNICIPALITY for collection of CERTIFIED TAXES, FEES AND PILOTS and supercedes any such previous contracts.

IN WITNESS WHEREOF, the parties have executed this contract the day and year first above written.

MUNICIPALITY

By _____
City Official

Approved as to Legal Form:

Attest:

City Attorney

Municipal Witness

ST. LOUIS COUNTY, MISSOURI

Attest:

By _____
County Executive

St. Louis County Administrative Director

Approved:

Collector of Revenue

Approved as to Legal Form:

County Counselor

Approved:

Director of Revenue

Approved:

Accounting Officer