
1 **R2018-041 TO AUTHORIZE THE MUNICIPAL ASSOCIATION OF SOUTH CAROLINA**
2 **TO ACT AS CLAIMANT AGENCY FOR THE COLLECTION OF DEBT ON BEHALF OF**
3 **CITY OF MYRTLE BEACH IN ACCORDANCE WITH THE SET-OFF DEBT COLLECTION**
4 **ACT.**

5 **Applicant/Purpose:** Staff / to authorize the Manager or his designee to enter into an agreement
6 with the Municipal Association of South Carolina (“MASC”) to act as claimant agency on behalf
7 of the City for the collection of debt through the set-off debt program.
8

9 **Brief:**

- 10 • The City first authorized MASC to act as a claimant agency under the Set-off Debt
11 Collection Act (S.C. Code Ann. §12-56-10) (the “Act”) by adoption of Ordinance No.
12 2006-89.
- 13 • Ordinance No. 2018-066, appearing on this agenda, would amend that ordinance to
14 clarify certain language vis-a-vis the Act.
- 15 • MASC acts as a claimant agency for political subdivisions under the Act.
- 16 • MASC provides a cost-free platform whereby the City sends formal notices to customers
17 with aging delinquent water & sewer charges and ambulance fees that they must pay
18 the debt or risk being turned over for collections.
- 19 • If the customer does not respond to the City’s notice, then
 - 20 ○ debts greater than \$50 may be sent to MASC for collection;
 - 21 ○ the Department of Revenue and MASC each deduct a \$25 fee for collecting on
22 the accounts; and
 - 23 ○ net collections are returned to the City.

24
25 **Issues:**

- 26 • The City currently realizes net collections of \$60,000 to \$70,000 per year through this
27 program.
- 28 • This resolution authorizes the Manager or his designee to sign the Set-off Debt Collection
29 Agreement on behalf of the City.

30
31 **Public Notification:** Normal meeting notification.

32
33 **Alternatives:** MASC will not continue its arrangement with cities without the proposed
34 agreement.

35
36 **Financial Impact:** No financial impact if City continues the agreement with MASC. Electing not
37 to participate would mean foregoing \$60,000-\$70,000 per year of revenue or paying significant
38 staffing costs to collect it with the City’s own resources.

39
40 **Manager’s Recommendation:** I recommend approval.

41
42 **Attachment(s):** Resolution, Form of Set-off Debt Collection Costs Agreement.

RESOLUTION R2018-41

**CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA**

**TO AUTHORIZE THE MUNICIPAL
ASSOCIATION OF SOUTH CAROLINA TO
ACT AS CLAIMANT AGENCY FOR THE
COLLECTION OF DEBT ON BEHALF OF
CITY OF MYRTLE BEACH IN ACCORDANCE
WITH THE SET-OFF DEBT COLLECTION
ACT.**

WHEREAS, the Setoff Debt Collection Act (S.C. Code Ann. §12-56-10) allows the South Carolina Department of Revenue to render assistance in the collection of debt owed to political subdivisions of the State; and

WHEREAS, the Municipal Association of South Carolina will act as a claimant agency as provided by S.C. Code Ann. §12-56-10 for political subdivisions in South Carolina; and

WHEREAS, the City of Myrtle Beach (the "City") desires to participate in the Setoff Debt Collection Program of the Municipal Association;

NOW THEREFORE, BE IT RESOLVED, that the City Council, in meeting duly assembled, hereby authorizes the City Manager or his designee to enter into an agreement with the Municipal Association of South Carolina for the collection of debt owed to the City.

AND BE IT FURTHER RESOLVED, that the City of Myrtle Beach indemnifies the Municipal Association of South Carolina to the extent permitted by law against any injuries, actions, liabilities or proceedings arising from performance under the setoff debt provisions.

Resolved by the City Council this 13th day of November, 2018.

BRENDA BETHUNE, MAYOR

Attest:

JENNIFER STANFORD, CITY CLERK