

ORDINANCE NO. 349

AN ORDINANCE RELATIVE TO THE COLLECTION OF EXPENSES RELATING TO THE HANDLING AND ENFORCEMENT OF DISHONORED CHECKS

THE CHARTER TOWNSHIP OF GRAND RAPIDS ORDAINS:

Section 1. Purpose. The Charter Township of Grand Rapids finds that a significant number of checks are written and dishonored within its geographical boundaries causing serious financial loss and hardship to citizens and merchants therein. In addition, the Charter Township of Grand Rapids finds that the financial loss and hardship incurred by its citizens and merchants causes serious impacts on the stream of commerce and the general public by increasing the costs of goods and services. As a result of these activities, a greater operational and financial burden is placed on local law enforcement and legal services by persons who are placing dishonored checks into the stream of commerce.

Section 2. Definitions. When used in this Ordinance the following terms shall have the following meaning:

(a) ACheck@ shall mean any check, draft, or order for the payment of money, to apply on account or otherwise, upon any bank or other depository.

(b) ADishonored@ shall mean:

(1) Any check, draft or order drawn or written on any account, or otherwise, upon any bank or other depository, without sufficient funds for the payment of same when presentation is made to the drawee.

(2) Any check, draft or order drawn or written on any account which has been closed with or by the bank or other depository upon which it is drawn.

(3) Any check, draft or order drawn or written on any account for stop payment, any bank administrative purpose or any other reason that caused the check to become dishonored when presentation is made to the drawee, except:

a. A check that was stolen and passed; or

b. A stop payment check where a verified dispute exists between the two parties.

(c) Expenses of Dishonored Check Response shall mean the direct and reasonable cost incurred by the Charter Township of Grand Rapids, the County of Kent or a private person or corporation operating at the request and directions of the Charter Township of Grand Rapids and the County of Kent, when making a dishonored check response, including the cost of providing police, legal counsel and/or administrative services in response to any dishonored check. These costs further include all of the wages and salaries of Kent County personnel, acting as agents for the Charter Township of Grand Rapids and/or contractors responding to the incident, all salaries and wages of the personnel and contractors engaged in investigations, supervision and report preparation , and all costs connected with the administration and provision of any prosecution of the person causing the incident.

(d) Address of Record shall mean the address that appears on the check or the last known address of record with the Secretary of State at the time the check was presented for payment of goods services.

Section 3. Liability for the Expense of Dishonored Check Response.

(a) Person Responsible. A person is liable for the expenses of a dishonored check response, if such person proximately causes any incident resulting in a dishonored check response.

(b) Presumptions shall mean:

(1) For the purpose of this ordinance a person is presumed to be the proximate cause of an incident if said person makes, draws, utters or delivers any dishonored check or causes directly or indirectly a check to become dishonored.

(2) For the purpose of this ordinance a person is presumed to have acted with intent to defraud if said person shall not have paid the drawer thereof the amount due therein, together with all costs and pretest fees, including the fees assessed hereunder, within five (5) business days after receiving notice by first class mail to the last known address of record that such check, draft or order has not been paid by the drawee.

(c) Charges Against Person. The expenses of a dishonored check response shall be a charge against the person responsible for the expenses under this ordinance. the charge constitutes a debt of that person and is collectible by the Charter Township of Grand Rapids and the County of Kent in the same manner as in the case of an obligation under a contract, expressed or implied.

(d) Cost Recovery Schedule. The Grand Rapids Charter Township Board shall, by resolution, adopt a schedule of costs included within the expenses of the dishonored check response. This schedule shall be available to the public from either the Grand Rapids Charter Township Clerk, Township Supervisor or the Kent County Sheriff=s Department.

(e) Billing. The Township Supervisor, or his or her designee, may submit a bill for the expenses of the dishonored check response by first class mail to the last known address of record or personal service to the person liable for the expenses as enumerated under this ordinance. The bill(s) shall require full payment within thirty (30) consecutive days from the date of the service. Service by mail shall be effective upon depositing said bill in a United States Postal Service receptacle. In no event shall billing be permitted after one year from the last expense incurred.

(f) Failure to Pay. Procedures to Recover Cost: Any failure by the person described in this ordinance as liable for the expenses of a dishonored check response to pay the bill within thirty (30) consecutive days of service shall be considered a default. In case of default, the Charter Township of Grand Rapids or the County of Kent may commence civil suit to recover the expenses and any costs allowed by the law.

Section 4. Severability. The phrases, sentences, sections, and provision of this Ordinance are severable and the finding that any portion hereof is unconstitutional or otherwise unenforceable shall not detract from or affect the enforceability of the remainder of this Ordinance.

Section 5. Effective Date. This Ordinance shall be effective thirty (30) days after publication.

[Ord. Effective 6/14/97]

GRAND RAPIDS CHARTER TOWNSHIP

A RESOLUTION TO SET THE COST RECOVERY FEES
FOR ENFORCEMENT OF DISHONORED CHECKS ORDINANCE

At a regular meeting of the Township Board of Grand Rapids Charter Township held on the 6th day of May 1997, the following resolution was offered by Member Van Popering and supported by Member Robinette.

WHEREAS, in accordance with Grand Rapids Charter Township Ordinance No. 349, it is deemed necessary to establish a schedule of costs included within the expense of a dishonored check response.

NOW, THEREFORE, BE IT RESOLVED that the following fee schedule be adopted for the cost recovery program for dishonored checks:

1. Charter township of Grand Rapids - \$3.50 per dishonored check which represents costs for police, attorney and administrative services. This amount shall be turned over to and made payable to the County of Kent acting as the agent for Grand Rapids Charter Township.
2. Any check enforcement unit - \$21.50 per dishonored check which represents the contractual fee of the vendor.

AYES: BOUWKAMP, ENDSLEY, GREY, HULBER, LOVELL,
ROBINETTE, VAN POPERING

NAYS: NONE

ABSENT: NONE

ABSTAINED: NONE

Motion passed. Resolution declared adopted.

Janice K. Hulbert,
Grand Rapids Charter Township Clerk

