

TOWN OF REDKEY
ORDINANCE 2006-12

ORDINANCE ESTABLISHING FEES FOR CHECKS NOT HONORED
BY A BANKING INSTITUTION

WHEREAS, the Town of Redkey, Indiana provides utility services to residences and businesses, located within its corporate boundries;

WHEREAS, the Town of Redkey, Indiana receives payments from its citizens for the utility services provided:

WHEREAS, there are times when citizens pay with checks for these services and these checks are not honored by a banking institution due to stopped payment, insufficient funds, and other reasons;

WHEREAS, the Town of Redkey incurs fees for each check that is not honored by a banking institution due to lack of funds;

WHEREAS, Indiana Code 26-1-3.1-502.5 gives an entity to whom a check is tendered the authority to collect an amount equal to the actual charge that a bank charges for dishonored checks;

WHEREAS, the Town of Redkey incurs a fee of Thirty Dollars (\$30.00) for each check that it receives that is dishonored;

WHEREAS, the Town Board has determined that it is necessary to charge a fee of Thirty Dollars (\$30.00) for each check that it receives that is not honored by a banking institution. And

WHEREAS, Indiana Code 34-24-3-1 allows for the recovery of treble damages, court costs, reasonable attorney fees and all other reasonable costs of collection for dishonored checks; And

WHEREAS, the Town Board desires to reserve the right to take all legal action and recourse as to dishonored checks it receives pursuant to Indiana Code 34-24-3-1.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF REDKEY, INDANA:

Section 1. There shall be a charge in the sum of Thirty Dollars (\$30.00) for each check that is presented to the Town of Redkey, Indiana that is not honored by a banking institution for stopped payment, insufficient funds and other reasons.

Section 2. The Town of Redkey reserves the right to take legal action and recourse as to dishonored checks presented to it pursuant to Indiana Code 34-24-3-1 which allows for the recovery of treble damages, court costs, reasonable attorney fees and all other reasonable costs of collection.

Section 3. This Ordinance shall be effective ten (10) days after publication.

Dated this 19th day of October, 2006

Dottie Quakenbush (signed)

Board Member

Joyce Harshbarger (signed)

Board Member

Darrell Smith (signed)

Board Member

Violet Erlenbush (signed)

Board Member

ATTEST:

Sandy Kirby (signed)

Sandy Kirby, Clerk-Treasurer

