

Higher Late Fee Implementation Procedure

November 23, 2020

Per Section 7.I. of Compliance Ordinance 2008-1, as amended, higher late fees will be triggered for a business if three or more delinquencies occur in a 24-month period. These fees will be in addition to the standard \$30.00 late fee billed per delinquent month or quarter:

Resort Tax Administration. *The following actions may be taken against a delinquent Establishment to enforce the resort tax laws of the District:*

1. Establish higher late fees for Establishments having three or more delinquencies in reporting or remitting Resort Taxes during less than a twenty-four (24) month period;

Definitions:

Delinquency: A tax remittance that is a minimum of 30 days past due.

The higher late fee implementation process will be triggered by issuance of a 90-day letter:

1. 90-day letter sent, 24-month period begins (first violation)
2. If a 60-day letter is sent within a 24-month period following the 90-day letter (second violation)
3. If another 60-day letter is sent within the same 24-month period since the time of the first letter (third violation) then Tier 2 late fees are triggered (\$50).

Tier 3 Late Fees: \$100

Implemented if a 60-day letter must be sent after Tier 2 fee has been implemented.

Tier 4 Late Fees: \$500

Implemented if a 60-day letter must be sent after Tier 3 fee has been implemented.

Returning to Standard Late Fees:

For higher tier late fees to be removed, an account must remain current for 12 consecutive months.

The scenario above assumes the business becomes current between each instance of delinquency.

1. If the business remains delinquent beyond the initial 90-day letter and a complaint is filed, Tier 2 late fees will be implemented.
2. If default is entered, Tier 3 late fees will be implemented.
3. If there is no response to motion for default in 30 days, Tier 4 late fees will be implemented.

Note: If business is in communication with the District and/or cooperating on a payment plan, the higher late fees may be avoided.