

August 26, 2011

thetimes-tribune.com

By Josh Mrozinski (Staff Writer)

Scranton has a new collector of delinquent real estate taxes.

Northeast Revenue Service LLC, which boasts a collection rate of 86 percent with clients in Luzerne County, signed a contract with the city on Thursday.

"We hope to get started next week," said Northeast Revenue Service President John Rodgers. "We have everything lined up and we have a computer program written specifically to collect Scranton's taxes."

Mr. Rodgers said his company plans to send out letters in the coming weeks to everyone who owes money.

In Luzerne County, where Northeast Revenue Service serves the county, all of its school districts and municipalities, Mr. Rodgers said the goal is to increase its collection rate to 90 percent.

Scranton signed the contract with Northeast Revenue Service as it deals with a projected \$8.1 million shortfall. It also owes more than \$1.56 million because of a Scranton Redevelopment Authority default on a loan.

"That's an obligation we will meet through the contract with Mr. Rodgers and the collection of delinquent taxes," Business Administrator Ryan McGowan said, referring to the amount of money owed on the delinquent loan.

In November, Commonwealth Financial Systems Inc.'s contract with the city to collect delinquent real estate taxes ended. With Commonwealth Financial Systems, Mr. McGowan said the city received between \$1.5 million and \$1.7 million in delinquent real estate taxes each year.

City council in July amended and then gave final approval to legislation that authorized the city to execute a contract with Northeast Revenue Service to collect delinquent real estate taxes for years 2004 through 2010.

The contract was subsequently signed after officials cleared up questions over whether to follow council's or the administration's version of the contract.

About two weeks ago, Mr. Rodgers said he was ready to provide service to the city, but questions remained about which version of the contract to follow.

Councilman Bob McGoff on Thursday said it seems that neither the administration nor the council supermajority appear to be willing to compromise in order to better the functioning of government, including with the passage and implementation of legislation.

Councilman supermajority member Pat Rogan, who noted he voted against the legislation, said he remains skeptical of collection agencies because of residents complaints about methods of collection. While Mr. Rogan said he would rather have the Scranton Single Tax Office collect the back taxes, he also said he hopes Northeast Revenue Service is successful and generates revenue for the city. Efforts to reach other council members were unsuccessful.

The Single Tax Office currently collects 2010 delinquent real estate taxes.

Northeast Revenue Service will collect the 2010 back taxes starting Jan. 1, 2012, according to collection service's contract with the city.

As part of the contract with the city, Northeast Revenue Service receives 15 percent of all delinquent taxes revenue collected.

Northeast Revenue Service also plans to have staff stationed in the city's treasurer office and plans to work closely with the Lackawanna County Tax Claim Bureau, Mr. Rodgers said. The company also is planning to develop a website within 30 days that will list individuals and organizations that owe delinquent real estate taxes.

"By the end of the year, we're going to have all the liens filed, but we're going to give them the opportunity to avoid those costs," Mr. Rodgers said.

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