



OFFICE OF THE MAYOR  
CITY OF CHICAGO

**EMBARGOED UNTIL 3:00AM**

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**MAYOR RAHM EMANUEL: NO MORE FREE RIDES**

*City's more aggressive approach to recovering debt will help deliver \$33 million*

Mayor Rahm Emanuel today announced his administration will implement a new aggressive approach to improve collections owed to the city, including millions of dollars in unpaid parking tickets, unpaid fees, fines and penalties. The reforms are anticipated to bring in up to an additional \$33 million in collections in 2012.

“Moving forward there will be no more free rides, debt scofflaws will be found and they will pay what they owe the City,” said Mayor Emanuel. “That means we will take a smarter more aggressive approach to recover this debt, not only to collect what we are owed but to ensure that it never reaches this level again.”

The City will improve its collections on outstanding debt by cracking down on enforcement and consolidating the billing and collections process under City Comptroller Amer Ahmad in the Department of Revenue. Previously, several City departments performed their own billing and collection functions. With the new reforms, all billing and collection systems will be administered by the Department of Revenue. By eliminating this unnecessary bureaucracy the City will drastically increase efficiency and improve overall collections.

Ahmad has identified a number of initiatives to increase debt collections that include crackdowns on parking fleets, bank debts, new building holds, building inspection fees, improved tax audits and EMS collections. The new reforms being announced today include the following:



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- **Improved Tax Audit Collections, \$24 million:** Additionally, the City has significantly improved tax audits by focusing on key historical scofflaws. Next year, the Comptroller is going to collect \$24 million from increased tax audits.
- **Increased Individual Debt Consolidation, \$5 million:** The Comptroller will also improve collections by consolidating debt types for individuals who owe for more than one type. He will also call for contracted collection agencies to increase rates to recover \$5 million in debts. For example, there is one Chicagoan who owes \$87,000 in parking tickets on four different license plates that go back to 2005, \$70,000 on one plate alone. This case is now in the hands of a city law firm.
- **Increased Collections from Bank Property Fees and Fines, \$2 million:** This type of enforcement has already started with major banks around the city who owe fees, fines and penalties on vacant and foreclosed properties. In May these financial institutions owed \$5.7 million dollars. As of September, Emanuel has shrunk that amount to \$2.8 million. The Comptroller's office is going to collect another \$2 million from banks by the end of 2012.
- **Overhaul of Parking Fee Collections, \$1 million:** The City is already in negotiations with car rental businesses to collect their debts. For example, a single rental car company owes \$300,000 in outstanding parking tickets. If these go unpaid the Comptroller will continue to put holds on business licenses and required medallions. In the last two weeks alone the Department of Revenue collected \$156,000 from major fleet accounts and is pursuing \$300,000 more. Ahmad anticipates collecting \$1 million with the parking fleet collection overhaul.
- **Better Enforcement of Permit and Licensing Holds, \$1 million:** The Emanuel administration will better enforce holds on building permits, business licenses, and license renewals on organizations that owe debt until the debt is fully paid. This will allow the City to collect an additional \$1 million in debt.

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