

FILED FEB 15 1990

SENATE FILE 2357  
BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO SSB 2255)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the establishment, maintenance, and operation  
2 of storm water drainage systems and the payment of rates or  
3 charges.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

SC 2357

1 Section 1. Section 362.2, subsection 22, Code 1989, is  
2 amended to read as follows:

3 22. "City utility" means all or part of a waterworks,  
4 gasworks, sanitary sewage system, storm water drainage system,  
5 electric light and power plant and system, or heating plant  
6 any of which are owned by a city, including all land,  
7 easements, rights of way, fixtures, equipment, accessories,  
8 improvements, appurtenances, and other property necessary or  
9 useful for the operation of the utility.

10 Sec. 2. NEW SECTION. 384.79A STORM DRAINAGE ALTERNATIVE  
11 -- LIEN.

12 1. In lieu of special assessment procedures specified in  
13 sections 384.37 through 384.79, for a public improvement  
14 comprised of a storm water drainage system, a governing body  
15 may declare all or a part of a city as a storm water drainage  
16 system district and establish, impose, adjust, and provide for  
17 the collection of rates to produce gross revenues at least  
18 sufficient to pay the principal costs of collection and  
19 disposal of surface waters and streams within the district.  
20 If revenue bonds or pledge orders are issued and outstanding  
21 pursuant to this division, the governing body shall establish,  
22 impose, adjust, and provide for the collection of rates to  
23 produce gross revenues at least sufficient to pay the  
24 principal costs of collection and disposal of surface waters  
25 and streams and to leave a balance of net revenues sufficient  
26 to pay the principal of, and interest on, the revenue bonds  
27 and pledge orders as they become due and to maintain a  
28 reasonable reserve for the payment of principal and interest.  
29 The governing body must pledge a sufficient part of net  
30 revenues for the reserve. The rates must be established by  
31 ordinance of the council or by resolution of the trustees  
32 which shall be published in the same manner as an ordinance.  
33 The ordinance or resolution may define the principal costs of  
34 collection and disposal of surface waters and streams to  
35 include all or a part of those costs defined in section

1 384.37. The rates shall not be exclusive of rates for  
2 operation and maintenance pursuant to section 384.84, but the  
3 rates for the principal costs and operation and maintenance  
4 under section 384.84 shall not exceed on a fiscal year basis  
5 the annual benefit to individual properties included within  
6 the district. The ordinance provisions for collection of  
7 rates pursuant to sections 384.37 and 384.84 shall prescribe  
8 by formula the determination of the annual benefit which shall  
9 include criteria and standards by which benefits have been  
10 previously determined for special assessments for storm water  
11 public improvement projects under this chapter. Properties  
12 listed in a schedule of special assessments for storm water  
13 drainage which has yet to expire shall be exempt from  
14 imposition of costs under this section until the expiration of  
15 the time allowed for payment of the special assessments under  
16 that schedule, but the properties shall not be exempt from  
17 rates imposed under section 384.84.

18 2. All rates or charges for the costs of storm water  
19 drainage systems under this section, if not paid as provided  
20 by ordinance of the council or resolution of the trustees, are  
21 a lien upon the premises served upon certification to the  
22 county treasurer that the rates or charges are due. However,  
23 the lien shall not be less than five dollars. The county  
24 treasurer may charge two dollars for each lien certified as an  
25 administrative expense, which amount shall be added to the  
26 amount of the lien to be collected at the time of payment of  
27 the assessment from the payor and credited to the county  
28 general fund. The lien has equal precedence with ordinary  
29 taxes, may be certified to the county treasurer and collected  
30 in the same manner as taxes, and is not divested by a judicial  
31 sale.

32 Sec. 3. Section 384.84, subsection 1, Code 1989, is  
33 amended to read as follows:

34 1. The governing body of a city utility, combined utility  
35 system, city enterprise, or combined city enterprise may

1 establish, impose, adjust, and provide for the collection of  
2 rates to produce gross revenues at least sufficient to pay the  
3 expenses of operation and maintenance of the city utility,  
4 combined utility system, city enterprise, or combined city  
5 enterprise and, when revenue bonds or pledge orders are issued  
6 and outstanding pursuant to this division, shall establish,  
7 impose, adjust, and provide for the collection of rates to  
8 produce gross revenues at least sufficient to pay the expenses  
9 of operation and maintenance of the city utility, combined  
10 utility system, city enterprise, or combined city enterprise,  
11 and to leave a balance of net revenues sufficient at all times  
12 to pay the principal of and interest on the revenue bonds and  
13 pledge orders as they become due and to maintain a reasonable  
14 reserve for the payment of principal and interest, and a  
15 sufficient portion of net revenues must be pledged for that  
16 purpose. Rates must be established by ordinance of the  
17 council or by resolution of the trustees, published in the  
18 same manner as an ordinance. All rates or charges for the  
19 services of sewer systems, storm water drainage systems,  
20 sewage treatment, solid waste collection, water, solid waste  
21 disposal, or any of these, if not paid as provided by  
22 ordinance of the council, or resolution of the trustees, are a  
23 lien upon the premises served by any of these services upon  
24 certification to the county treasurer that the rates or  
25 charges are due. However, the lien shall not be less than  
26 five dollars. The county treasurer may charge two dollars for  
27 each lien certified as an administrative expense, which amount  
28 shall be added to the amount of the lien to be collected at  
29 the time of payment of the assessment from the payor and  
30 credited to the county general fund. The lien has equal  
31 precedence with ordinary taxes, may be certified to the county  
32 treasurer and collected in the same manner as taxes, and is  
33 not divested by a judicial sale.

34 EXPLANATION

35 This bill defines city utility to include storm water

1 drainage systems which authorizes individual cities, or two or  
2 more cities by joint agreement, to create storm water drainage  
3 systems using procedures provided for sanitary sewage systems.  
4 The bill also provides for charges for storm water drainage  
5 system operation and maintenance services. The charges become  
6 a lien against the property until paid.

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

## SENATE FILE 2351

S-5173

1 Amend Senate File 2351 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

4 "Section 1. Section 362.2, subsection 22, Code  
5 1989, is amended to read as follows:

6 22. "City utility" means all or part of a  
7 waterworks, gasworks, sanitary sewage system, storm  
8 water drainage system, electric light and power plant  
9 and system, or heating plant any of which are owned by  
10 a city, including all land, easements, rights of way,  
11 fixtures, equipment, accessories, improvements,  
12 appurtenances, and other property necessary or useful  
13 for the operation of the utility.

14 Sec. 2. Section 384.84, subsection 1, Code 1989,  
15 is amended to read as follows:

16 1. The governing body of a city utility, combined  
17 utility system, city enterprise, or combined city  
18 enterprise may establish, impose, adjust, and provide  
19 for the collection of rates to produce gross revenues  
20 at least sufficient to pay the expenses of operation  
21 and maintenance of the city utility, combined utility  
22 system, city enterprise, or combined city enterprise  
23 and, when revenue bonds or pledge orders are issued  
24 and outstanding pursuant to this division, shall  
25 establish, impose, adjust, and provide for the  
26 collection of rates to produce gross revenues at least  
27 sufficient to pay the expenses of operation and  
28 maintenance of the city utility, combined utility  
29 system, city enterprise, or combined city enterprise,  
30 and to leave a balance of net revenues sufficient at  
31 all times to pay the principal of and interest on the  
32 revenue bonds and pledge orders as they become due and  
33 to maintain a reasonable reserve for the payment of  
34 principal and interest, and a sufficient portion of  
35 net revenues must be pledged for that purpose. Rates  
36 must be established by ordinance of the council or by  
37 resolution of the trustees, published in the same  
38 manner as an ordinance. All rates or charges for the  
39 services of sewer systems, storm water drainage  
40 systems, sewage treatment, solid waste collection,  
41 water, solid waste disposal, or any of these, if not  
42 paid as provided by ordinance of the council, or  
43 resolution of the trustees, are a lien upon the  
44 premises served by any of these services upon  
45 certification to the county treasurer that the rates  
46 or charges are due. However, the lien shall not be  
47 less than five dollars. The county treasurer may  
48 charge two dollars for each lien certified as an  
49 administrative expense, which amount shall be added to  
50 the amount of the lien to be collected at the time of

S-5173

Page 2

1 payment of the assessment from the payor and credited  
2 to the county general fund. The lien has equal  
3 precedence with ordinary taxes, may be certified to  
4 the county treasurer and collected in the same manner  
5 as taxes, and is not divested by a judicial sale. A  
6 governing body may declare all or a certain portion of  
7 a city as a storm water drainage system district for  
8 the purpose of establishing, imposing, adjusting, and  
9 providing for the collection of rates as provided  
10 herein. The ordinance provisions for collection of  
11 rates of a storm water drainage system may prescribe a  
12 formula for determination of the rates which may  
13 include criteria and standards by which benefits have  
14 been previously determined for special assessments for  
15 storm water public improvement projects under this  
16 chapter.

17 Sec. 3. Section 388.2, unnumbered paragraph 1,  
18 Code 1989, is amended to read as follows:

19 The proposal of a city to establish, acquire,  
20 lease, or dispose of a city utility, except a sanitary  
21 sewage or storm water drainage system, in order to  
22 undertake or to discontinue the operation of the city  
23 utility, or the proposal to establish or dissolve a  
24 combined utility system, or the proposal to establish  
25 or discontinue a utility board, is subject to the  
26 approval of the voters of the city, except that a  
27 board may be discontinued by resolution of the council  
28 when the city utility, city utilities, or combined  
29 utility system it administers is disposed of or leased  
30 for a period of over five years."

By LARRY MURPHY

S-5173 FILED FEBRUARY 21, 1990

MURPHY, CH.  
TINSMAN  
KINLEY

SSB 2255  
LOCAL GOVERNMENT

SENATE FILE 2251  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL  
BY CHAIRPERSON MILLER)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the establishment, maintenance, and operation  
2 of storm water drainage systems and the payment of rates or  
3 charges.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

1 Section 1. Section 362.2, subsection 22, Code 1989, is  
2 amended to read as follows:

3 22. "City utility" means all or part of a waterworks,  
4 gasworks, sanitary sewage system, storm water drainage system,  
5 electric light and power plant and system, or heating plant  
6 any of which are owned by a city, including all land,  
7 easements, rights of way, fixtures, equipment, accessories,  
8 improvements, appurtenances, and other property necessary or  
9 useful for the operation of the utility.

10 Sec. 2. NEW SECTION. 384.79A STORM DRAINAGE ALTERNATIVE  
11 -- LIEN.

12 1. In lieu of special assessment procedures specified in  
13 sections 384.37 through 384.79, for a public improvement  
14 comprised of a storm water drainage system, a governing body  
15 may declare all or a part of a city as a storm water drainage  
16 system district and establish, impose, adjust, and provide for  
17 the collection of rates to produce gross revenues at least  
18 sufficient to pay the principal costs of collection and  
19 disposal of surface waters and streams within the district.  
20 If revenue bonds or pledge orders are issued and outstanding  
21 pursuant to this division, the governing body shall establish,  
22 impose, adjust, and provide for the collection of rates to  
23 produce gross revenues at least sufficient to pay the  
24 principal costs of collection and disposal of surface waters  
25 and streams and to leave a balance of net revenues sufficient  
26 to pay the principal of, and interest on, the revenue bonds  
27 and pledge orders as they become due and to maintain a  
28 reasonable reserve for the payment of principal and interest.  
29 The governing body must pledge a sufficient part of net  
30 revenues for the reserve. The rates must be established by  
31 ordinance of the council or by resolution of the trustees  
32 which shall be published in the same manner as an ordinance.  
33 The ordinance or resolution may define the principal costs of  
34 collection and disposal of surface waters and streams to  
35 include all or a part of those costs defined in section

1 384.37. The rates shall not be exclusive of rates for  
2 operation and maintenance pursuant to section 384.84, but the  
3 rates for the principal costs and operation and maintenance  
4 under section 384.84 shall not exceed on a fiscal year basis  
5 the annual benefit to individual properties included within  
6 the district. The ordinance provisions for collection of  
7 rates pursuant to sections 384.37 and 384.84 shall prescribe  
8 by formula the determination of the annual benefit which shall  
9 include criteria and standards by which benefits have been  
10 previously determined for special assessments for storm water  
11 public improvement projects under this chapter. Properties  
12 listed in a schedule of special assessments for storm water  
13 drainage which has yet to expire shall be exempt from  
14 imposition of costs under this section until the expiration of  
15 the time allowed for payment of the special assessments under  
16 that schedule, but the properties shall not be exempt from  
17 rates imposed under section 384.84.

18 2. All rates or charges for the costs of storm water  
19 drainage systems under this section, if not paid as provided  
20 by ordinance of the council or resolution of the trustees, are  
21 a lien upon the premises served upon certification to the  
22 county treasurer that the rates or charges are due. However,  
23 the lien shall not be less than five dollars. The county  
24 treasurer may charge two dollars for each lien certified as an  
25 administrative expense, which amount shall be added to the  
26 amount of the lien to be collected at the time of payment of  
27 the assessment from the payor and credited to the county  
28 general fund. The lien has equal precedence with ordinary  
29 taxes, may be certified to the county treasurer and collected  
30 in the same manner as taxes, and is not divested by a judicial  
31 sale.

32 Sec. 3. Section 384.84, subsection 1, Code 1989, is  
33 amended to read as follows:

34 1. The governing body of a city utility, combined utility  
35 system, city enterprise, or combined city enterprise may

1 establish, impose, adjust, and provide for the collection of  
2 rates to produce gross revenues at least sufficient to pay the  
3 expenses of operation and maintenance of the city utility,  
4 combined utility system, city enterprise, or combined city  
5 enterprise and, when revenue bonds or pledge orders are issued  
6 and outstanding pursuant to this division, shall establish,  
7 impose, adjust, and provide for the collection of rates to  
8 produce gross revenues at least sufficient to pay the expenses  
9 of operation and maintenance of the city utility, combined  
10 utility system, city enterprise, or combined city enterprise,  
11 and to leave a balance of net revenues sufficient at all times  
12 to pay the principal of and interest on the revenue bonds and  
13 pledge orders as they become due and to maintain a reasonable  
14 reserve for the payment of principal and interest, and a  
15 sufficient portion of net revenues must be pledged for that  
16 purpose. Rates must be established by ordinance of the  
17 council or by resolution of the trustees, published in the  
18 same manner as an ordinance. All rates or charges for the  
19 services of sewer systems, storm water drainage systems,  
20 sewage treatment, solid waste collection, water, solid waste  
21 disposal, or any of these, if not paid as provided by  
22 ordinance of the council, or resolution of the trustees, are a  
23 lien upon the premises served by any of these services upon  
24 certification to the county treasurer that the rates or  
25 charges are due. However, the lien shall not be less than  
26 five dollars. The county treasurer may charge two dollars for  
27 each lien certified as an administrative expense, which amount  
28 shall be added to the amount of the lien to be collected at  
29 the time of payment of the assessment from the payor and  
30 credited to the county general fund. The lien has equal  
31 precedence with ordinary taxes, may be certified to the county  
32 treasurer and collected in the same manner as taxes, and is  
33 not divested by a judicial sale.

34

EXPLANATION

35 This bill defines city utility to include storm water

1 drainage systems which authorizes individual cities, or two or  
2 more cities by joint agreement, to create storm water drainage  
3 systems using procedures provided for sanitary sewage systems.  
4 The bill also provides for charges for storm water drainage  
5 system operation and maintenance services. The charges become  
6 a lien against the property until paid.

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35