

FILED MAR 05 1992

SENATE FILE 2299
BY COMMITTEE ON COMMERCE

Approved (p. 62)
(SUCCESSOR TO SSB 2086)
HF 2377 Substituted for

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the kinds of separately metered properties for
2 which a landlord may be exempted from a lien for delinquent
3 charges for water services.

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

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SENATE FILE 2299

S-5424

1 Amend Senate File 2299 as follows:

2 1. Page 1, line 29, by inserting after the word
3 "due." the following: "A city utility or enterprise
4 shall not discontinue water service to a property
5 occupied by a tenant if the water charges become
6 delinquent and are not payable directly by the
7 tenant."

8 2. Page 1, line 30, by inserting after the word
9 "metered" the following: "or billed".

By AL STURGEON

S-5424 FILED MARCH 27, 1992

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ST 2271

1 Section 1. Section 384.84, subsection 1, unnumbered
2 paragraph 1, Code 1991, is amended to read as follows:

3 The governing body of a city utility, combined utility
4 system, city enterprise, or combined city enterprise may
5 establish, impose, adjust, and provide for the collection of
6 rates to produce gross revenues at least sufficient to pay the
7 expenses of operation and maintenance of the city utility,
8 combined utility system, city enterprise, or combined city
9 enterprise and, when revenue bonds or pledge orders are issued
10 and outstanding pursuant to this division, shall establish,
11 impose, adjust, and provide for the collection of rates to
12 produce gross revenues at least sufficient to pay the expenses
13 of operation and maintenance of the city utility, combined
14 utility system, city enterprise, or combined city enterprise,
15 and to leave a balance of net revenues sufficient at all times
16 to pay the principal of and interest on the revenue bonds and
17 pledge orders as they become due and to maintain a reasonable
18 reserve for the payment of principal and interest, and a
19 sufficient portion of net revenues must be pledged for that
20 purpose. Rates must be established by ordinance of the
21 council or by resolution of the trustees, published in the
22 same manner as an ordinance. All rates or charges for the
23 services of sewer systems, storm water drainage systems,
24 sewage treatment, solid waste collection, water, solid waste
25 disposal, or any of these, if not paid as provided by
26 ordinance of the council, or resolution of the trustees, are a
27 lien upon the premises served by any of these services upon
28 certification to the county treasurer that the rates or
29 charges are due. However, for residential rental properties
30 where the charges for water services are separately metered
31 and paid directly by the tenant, the rental property is exempt
32 from a lien for those delinquent charges incurred after the
33 landlord gives written notice to the utility or enterprise
34 that the tenant is liable for the charges and a deposit not
35 exceeding the usual cost of ninety days of water service is

1 paid to the utility or enterprise. Upon receipt, the utility
2 or enterprise shall acknowledge the notice and deposit. A
3 written notice shall contain the name of the tenant
4 responsible for charges, address that the tenant is to occupy,
5 and date that the occupancy begins. A change in tenant shall
6 require a new written notice and deposit. When the tenant
7 moves from the rental property, the utility or enterprise
8 shall return the deposit if the water service charges are paid
9 in full and the lien exemption shall be lifted from the rental
10 property. The lien exemption for rental property does not
11 apply to charges for repairs to a water service if the repair
12 charges become delinquent. When one or more of the utility or
13 enterprise services become delinquent, the utility or
14 enterprise shall give delinquency notice to the landlord who
15 has filed a request containing the name and address of the
16 person to be notified when the tenant is notified of the
17 delinquency. A lien imposed pursuant to this subsection shall
18 not be less than five dollars. The utility or enterprise
19 shall give ten days' written notice by first class mail to the
20 property owner of record who has filed a request containing
21 the name and address of the person to be notified before
22 placing a lien on the owner's property. The county treasurer
23 may charge two dollars for each lien certified as an
24 administrative expense, which amount shall be added to the
25 amount of the lien to be collected at the time of payment of
26 the assessment from the payor and credited to the county
27 general fund. The lien has equal precedence with ordinary
28 taxes, may be certified to the county treasurer and collected
29 in the same manner as taxes, and is not divested by a judicial
30 sale.

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EXPLANATION

32 This bill eliminates the restriction that limited the kinds
33 of separately metered rental properties to residential rental
34 properties, for which water services charges can be paid
35 directly by a tenant and which are exempt from a lien for

1 delinquent charges incurred after the landlord gives written
2 notice to the utility or enterprise that the tenant is liable
3 for the charges. The bill continues the requirement that a
4 deposit not exceeding the usual cost of 90 days of water
5 service be paid to the utility or enterprise and that the
6 written notice contain the name and address of the tenant
7 responsible for the charges, as well as the date on which the
8 responsibility commences.

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STURGEON, CH.
DELUHERY 1-29-92
TIEDEN

SSB 2086
COMMERCE

— Now —

SENATE/HOUSE FILE 2299
BY (PROPOSED CITIZENS'
AIDE/OMBUDSMAN BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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8 responsibility commences.

9 BACKGROUND STATEMENT
10 SUBMITTED BY THE AGENCY

11 The citizens' aide/ombudsman recently received a complaint
12 in which a landlord was harmed by having a lien placed against
13 the landlord because a commercial tenant had not paid its
14 water bill. While in this instant case an attempt by mail was
15 made to notify the landlord of the developing delinquency,
16 that effort was unsuccessful and, upon further inquiry, the
17 water utility espoused that notification was not mandated in
18 any case because this was commercial, not residential
19 property. The harm experienced by landlords for nonpayment
20 for water services by commercial tenants may be potentially
21 greater than the harm experienced for similar delinquency or
22 nonpayment by residential tenants. If the notification
23 requirement works well for residential landlords it should
24 work as well for landlords of commercial property, and erase
25 the distinction between two different classes of tenancy.

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