

Reprinted

MAR 21 1990

LOCAL GOVERNMENT
Amend (5945) to 20th Sec 3/29

HOUSE FILE 2557
BY ARNOULD and VAN MAANEN

Passed House, Date 4/4/90 (P. 1868) Passed Senate, Date 4/7/90 (P. 1691)
Vote: Ayes 91 Nays 1 Vote: Ayes 43 Nays 1
Approved April 27, 1990

A BILL FOR

1 An Act relating to the filing of liens against property for
2 nonpayment of city utility or enterprise charges.

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

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

HF 2557

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

3 1. 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, sewage treatment, solid waste
24 collection, water, solid waste disposal, or any of these, if
25 not paid as provided by ordinance of the council, or
26 resolution of the trustees, are a lien upon the premises
27 served by any of these services upon certification to the
28 county treasurer that the rates or charges are due. However,
29 the for rental properties where the charges for one or more of
30 the utility or enterprise services are paid directly by the
31 tenant, the rental property is exempt from a lien for those
32 delinquent charges if the landlord gives written notice to the
33 utility or enterprise that the tenant is liable for the
34 charges. Upon receipt, the utility or enterprise shall
35 acknowledge the notice. The lien exemption for rental

1 property does not apply to charges for repairs to a utility or
2 enterprise service if the repair charges become delinquent. A
3 lien imposed pursuant to this subsection shall not be less
4 than five dollars. The utility or enterprise shall give ten
5 days' written notice to the property owner before placing a
6 lien on the owner's property. The county treasurer may charge
7 two dollars for each lien certified as an administrative
8 expense, which amount shall be added to the amount of the lien
9 to be collected at the time of payment of the assessment from
10 the payor and credited to the county general fund. The lien
11 has equal precedence with ordinary taxes, may be certified to
12 the county treasurer and collected in the same manner as
13 taxes, and is not divested by a judicial sale.

14

EXPLANATION

15 The bill provides an exemption from a lien for rental
16 property when the tenant is directly responsible for payment
17 of enterprise or utility charges. The landlord is to give
18 written notice to the utility or enterprise that the tenant is
19 liable for the service charges and, upon receipt, the utility
20 or enterprise is to acknowledge the notice. The lien
21 exemption does not apply to charges for repairs to the utility
22 or enterprise services.

23 The bill requires a utility or enterprise to give a
24 property owner a 10-day written notice of the placement of a
25 lien on the owner's property.

26

27

28

29

30

31

32

33

34

35

HOUSE FILE 2557

H-5945

- 1 Amend House File 2557 as follows:
- 2 1. Page 1, line 32, by striking the word "if" and
- 3 inserting the following: "incurred after".
- 4 2. Page 1, line 35, by inserting after the word
- 5 "notice" the following: "and may require a deposit
- 6 from the person liable for the charges. A written
- 7 notice shall contain the name of the tenant
- 8 responsible for charges, address tenant is to occupy,
- 9 and date that occupancy begins. A change in tenant
- 10 shall require a new written notice".
- 11 3. Page 2, line 5, by striking the words "to the
- 12 property owner" and inserting the words "by first
- 13 class mail to a property owner of record".

By COMMITTEE ON LOCAL GOVERNMENT
FOGARTY of Palo Alto, Chairperson

H-5945 FILED MARCH 29, 1990
Adopted as Amended by 6017 4/4 (p. 1867)

HOUSE FILE 2557

H-6017

- 1 Amend the Committee amendment, H-5945, to House
- 2 File 2557 as follows:
- 3 1. Page 1, line 8, by inserting after the word
- 4 "address" the following: "that the".
- 5 2. Page 1, line 9, by inserting after the word
- 6 "that" the following: "the".
- 7 3. Page 1, line 13, by striking the word "a" and
- 8 inserting the following: "the".

By SPEAR of Lee
CONNORS of Polk

H-6017 FILED MARCH 30, 1990
Adopted 4/4 (p. 1867)

HOUSE FILE 2557

H-6072

- 1 Amend House File 2557 as follows:
 - 2 1. Page 1, line 29, by inserting before the word
 - 3 "rental" the following: "residential".
- By CONNORS of Polk

H-6072 FILED APRIL 3, 1990
Adopted 4/4 (p. 1868)

(As Amended and Passed by the House April 4, 1990)

¹⁸³
Passed House, Date 4/7/90 (p. 2299) Passed Senate, Date 4/7/90 (p. 1691)
Vote: Ayes 92 Nays 0 Vote: Ayes 43 Nays 1
Approved April 27, 1990

A BILL FOR

1 An Act relating to the filing of liens against property for
2 nonpayment of city utility or enterprise charges.

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

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

House Amendments _____

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

3 1. 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, sewage treatment, solid waste
24 collection, water, solid waste disposal, or any of these, if
25 not paid as provided by ordinance of the council, or
26 resolution of the trustees, are a lien upon the premises
27 served by any of these services upon certification to the
28 county treasurer that the rates or charges are due. However,
29 the for residential rental properties where the charges for
30 one or more of the utility or enterprise services are paid
31 directly by the tenant, the rental property is exempt from a
32 lien for those delinquent charges incurred after the landlord
33 gives written notice to the utility or enterprise that the
34 tenant is liable for the charges. Upon receipt, the utility
35 or enterprise shall acknowledge the notice and may require a

1 deposit from the person liable for the charges. A written
2 notice shall contain the name of the tenant responsible for
3 charges, address that the tenant is to occupy, and date that
4 the occupancy begins. A change in tenant shall require a new
5 written notice. The lien exemption for rental property does
6 not apply to charges for repairs to a utility or enterprise
7 service if the repair charges become delinquent. A lien
8 imposed pursuant to this subsection shall not be less than
9 five dollars. The utility or enterprise shall give ten days'
10 written notice by first class mail to the property owner of
11 record before placing a lien on the owner's property. The
12 county treasurer may charge two dollars for each lien
13 certified as an administrative expense, which amount shall be
14 added to the amount of the lien to be collected at the time of
15 payment of the assessment from the payor and credited to the
16 county general fund. The lien has equal precedence with
17 ordinary taxes, may be certified to the county treasurer and
18 collected in the same manner as taxes, and is not divested by
19 a judicial sale.

20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 2557

S-6003

Amend House File 2557, as amended, passed, and reprinted by the House as follows:

1. Page 1, line 30, by striking the words "one or more of the utility or enterprise" and inserting the following: "water".
2. Page 1, line 30, by inserting after the word "are" the following: "separately metered and".
3. Page 1, line 34, by inserting after the word "charges" the following: "and a deposit not exceeding the usual cost of ninety days of water service is paid to the utility or enterprise".
4. By striking page 1, line 35 through page 2, line 1, and inserting the following: "or enterprise shall acknowledge the notice and deposit. A written".
5. Page 2, line 5, by inserting after the word "notice" the following: "and deposit. When the tenant moves from the rental property, the utility or enterprise shall return the deposit if the water service charges are paid in full and the lien exemption shall be lifted from the rental property".
6. Page 2, line 6, by striking the words "utility or enterprise" and inserting the following: "water".
7. Page 2, line 7, by inserting after the word "delinquent." the following: "When one or more of the utility or enterprise services become delinquent, the utility or enterprise shall give delinquency notice to the landlord who has filed a request containing the name and address of the person to be notified when the tenant is notified of the delinquency."
8. Page 2, line 11, by inserting after the word "record" the following: "who has filed a request containing the name and address of the person to be notified".

By ELAINE SZYMONIAK
GEORGE R. KINLEY
EUGENE FRAISE
RICHARD VANDE HOEF
JOHN W. JENSEN

ALVIN V. MILLER
BERL E. PRIEBE
LARRY MURPHY
NORMAN J. GOODWIN
MAGGIE TINSMAN

S-6003 FILED APRIL 7, 1990

ADOPTED (p. 1691)

SENATE AMENDMENT TO HOUSE FILE 2557

H-6183

1 Amend House File 2557, as amended, passed, and
2 reprinted by the House as follows:

3 1. Page 1, line 30, by striking the words "one or
4 more of the utility or enterprise" and inserting the
5 following: "water".

6 2. Page 1, line 30, by inserting after the word
7 "are" the following: "separately metered and".

8 3. Page 1, line 34, by inserting after the word
9 "charges" the following: "and a deposit not exceeding
10 the usual cost of ninety days of water service is paid
11 to the utility or enterprise".

12 4. By striking page 1, line 35 through page 2,
13 line 1, and inserting the following: "or enterprise
14 shall acknowledge the notice and deposit. A written".

15 5. Page 2, line 5, by inserting after the word
16 "notice" the following: "and deposit. When the
17 tenant moves from the rental property, the utility or
18 enterprise shall return the deposit if the water
19 service charges are paid in full and the lien
20 exemption shall be lifted from the rental property".

21 6. Page 2, line 6, by striking the words "utility
22 or enterprise" and inserting the following: "water".

23 7. Page 2, line 7, by inserting after the word
24 "delinquent." the following: "When one or more of the
25 utility or enterprise services become delinquent, the
26 utility or enterprise shall give delinquency notice to
27 the landlord who has filed a request containing the
28 name and address of the person to be notified when the
29 tenant is notified of the delinquency."

30 8. Page 2, line 11, by inserting after the word
31 "record" the following: "who has filed a request
32 containing the name and address of the person to be
33 notified".

RECEIVED FROM THE SENATE

H-6183 FILED APRIL 7, 1990
CONCURRED (p. 2298)

HOUSE FILE 2557

AN ACT

RELATING TO THE FILING OF LIENS AGAINST PROPERTY FOR NONPAYMENT OF CITY UTILITY OR ENTERPRISE CHARGES.

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

Section 1. Section 384.84, subsection 1, Code 1989, is amended to read as follows:

1. The governing body of a city utility, combined utility system, city enterprise, or combined city enterprise may establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise and, when revenue bonds or pledge orders are issued and outstanding pursuant to this division, shall establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the city utility, combined utility system, city enterprise, or combined city enterprise, and to leave a balance of net revenues sufficient at all times to pay the principal of and interest on the revenue bonds and pledge orders as they become due and to maintain a reasonable reserve for the payment of principal and interest, and a sufficient portion of net revenues must be pledged for that purpose. Rates must be established by ordinance of the council or by resolution of the trustees, published in the same manner as an ordinance. All rates or charges for the services of sewer systems, sewage treatment, solid waste collection, water, solid waste disposal, or any of these, if not paid as provided by ordinance of the council, or resolution of the trustees, are a lien upon the premises served by any of these services upon certification to the

county treasurer that the rates or charges are due. However, the for residential rental properties where the charges for water services are separately metered and paid directly by the tenant, the rental property is exempt from a lien for those delinquent charges incurred after the landlord gives written notice to the utility or enterprise that the tenant is liable for the charges and a deposit not exceeding the usual cost of ninety days of water service is paid to the utility or enterprise. Upon receipt, the utility or enterprise shall acknowledge the notice and deposit. A written notice shall contain the name of the tenant responsible for charges, address that the tenant is to occupy, and date that the occupancy begins. A change in tenant shall require a new written notice and deposit. When the tenant moves from the rental property, the utility or enterprise shall return the deposit if the water service charges are paid in full and the lien exemption shall be lifted from the rental property. The lien exemption for rental property does not apply to charges for repairs to a water service if the repair charges become delinquent. When one or more of the utility or enterprise services become delinquent, the utility or enterprise shall give delinquency notice to the landlord who has filed a request containing the name and address of the person to be notified when the tenant is notified of the delinquency. A lien imposed pursuant to this subsection shall not be less than five dollars. The utility or enterprise shall give ten days' written notice by first class mail to the property owner of record who has filed a request containing the name and address of the person to be notified before placing a lien on the owner's property. The county treasurer may charge two dollars for each lien certified as an administrative expense, which amount shall be added to the amount of the lien to be collected at the time of payment of the assessment from the payor and credited to the county general fund. The lien has equal precedence with ordinary taxes, may be certified to the

county treasurer and collected in the same manner as taxes,
and is not divested by a judicial sale.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 2557, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 27, 1990

TERRY E. BRANSTAD
Governor