

REPRINTED

FEB 10 1997
COMMERCE AND REGULATION

HOUSE FILE 178
BY METCALF

Passed House, Date 3-11-97 ^(P.566) Passed Senate, Date 4/14/97 ^(P.1150)
Vote: Ayes 98 Nays 0 Vote: Ayes 49 Nays 0
Approved April 22, 1997

A BILL FOR

1 An Act relating to joint billing or collection of combined
2 service accounts for sanitary districts and a city utility or
3 combined utility system and to discontinue service for
4 delinquency, and providing for the establishment of benefited
5 districts and fees from the connection of property to the
6 sanitary facilities of a sanitary district.

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

8
9

HOUSE FILE 178

H-1123

- 1 Amend House File 178 as follows:
- 2 1. Page 1, line 28, by inserting after the word
- 3 "or" the following: "water".
- 4 2. Page 3, line 9, by inserting after the word
- 5 "city" the following: "water".

By COMMITTEE ON COMMERCE AND REGULATION
METCALF of Polk, Chairperson

H-1123 FILED FEBRUARY 26, 1997

adopted 3-11-97

(P. 566)

18
19
20
21
22
23
24
25

HF 178

1 Section 1. Section 358.20, unnumbered paragraph 1, Code
2 1997, is amended to read as follows:

3 Any sanitary district may by ordinance establish just and
4 equitable rates, charges, or rentals for the utilities and
5 services furnished by the district to be paid to the district
6 by every person, firm, or corporation whose premises are
7 served by a connection to the utilities and services directly
8 or indirectly. The rates, charges, or rentals, as near as may
9 be in the judgment of the board of trustees of the district,
10 shall be equitable and in proportion to the services rendered
11 and the cost of the services, and taking into consideration in
12 the case of the premises the quantity of sewage produced
13 thereby and its concentration, strength, and pollution
14 qualities. The board of trustees may change the rates,
15 charges, or rentals from time to time as it may deem
16 advisable, and by ordinance may provide for collection. The
17 board may contract with any municipality within the district,
18 whereby the municipality may collect or assist in collecting
19 any of the rates, charges, or rentals, whether in conjunction
20 with water rentals or otherwise, and the municipality may
21 undertake the collection and render the service. The board of
22 trustees may also contract pursuant to chapter 28E with one or
23 more city utilities or combined utility systems, including
24 city utilities established pursuant to chapter 388, for joint
25 billing or collection, or both, of combined service accounts
26 for sanitary district services and utility services, and the
27 contracts may provide for the discontinuance of one or more of
28 the sanitary district services or utility services if a
29 delinquency occurs in the payment of any charges billed under
30 a combined service account. The rates, charges, or rentals,
31 if not paid when due, shall constitute a lien upon the real
32 property served by a connection. The lien shall have equal
33 precedence with ordinary taxes, may be certified to the county
34 treasurer and collected in the same manner as taxes, and is
35 not divested by a judicial sale.

1 Sec. 2. Section 358.22, Code 1997, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Subject to the limitations
4 otherwise stated in this section, the board of trustees may
5 establish one or more benefited districts and schedules of
6 fees for the connection of property to the sanitary sewer
7 facilities of a sanitary district. Each person whose property
8 will be connected to the sanitary sewer facilities of a
9 sanitary district shall pay a connection fee to the sanitary
10 district, which may include the equitable cost of extending
11 sanitary sewer service to the benefited district and
12 reasonable interest from the date of construction to the date
13 of payment. In establishing the benefited districts and
14 establishing and implementing the schedules of fees, the board
15 of trustees shall act in accordance with the powers granted to
16 a city in section 384.38, subsection 3, and the procedures in
17 that subsection. However, all fees collected under this
18 paragraph shall be paid to the sanitary district and the
19 moneys collected as fees shall be used only by the sanitary
20 district to finance improvements or extensions to its sanitary
21 sewer facilities, to reimburse the sanitary district for funds
22 disbursed by its board of trustees to finance improvements or
23 extensions to its sanitary sewer facilities, or to pay debt
24 service on obligations issued to finance improvements or
25 extensions to its sanitary sewer facilities. This paragraph
26 does not apply when a sanitary district annexation plan or
27 petition includes annexation of an area adjoining the district
28 or a petition has not been presented for a sewer connection.
29 Until the annexation becomes effective or the annexation plan
30 or petition is abandoned, the state mandate contained in
31 section 455B.172, subsections 3, 4, and 5, shall not apply
32 unless the property owner requests to be connected to the
33 sanitary district's sewer facilities and voluntarily pays the
34 connection fee.

35 Sec. 3. Section 384.84, subsection 6, Code 1997, is

1 amended by adding the following new paragraph:

2 NEW PARAGRAPH. c. One or more city utilities or combined
3 utility systems, including city utilities established pursuant
4 to chapter 388, may contract pursuant to chapter 28E with one
5 or more sanitary districts established pursuant to chapter 358
6 for joint billing or collection, or both, of combined service
7 accounts from utility services and sanitary district services.
8 The contracts may provide for the discontinuance of one or
9 more of the city utility services or sanitary district
10 services if a delinquency occurs in the payment of any charges
11 billed under a combined service account.

12 EXPLANATION

13 This bill provides that sanitary districts established
14 pursuant to chapter 358 may join, under a chapter 28E
15 agreement, with city utilities for the purpose of collecting
16 sewer rentals. The agreement may also provide for the
17 discontinuation of sewer and water services if the accounts
18 become delinquent.

19 The bill also authorizes the board of trustees of a
20 sanitary district to finance capital improvements through the
21 imposition of connection fees. A city currently has this
22 authority pursuant to section 384.38, subsection 3.

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

S-3/11/97 Local Exp.
S-4/3/97 Do Pass
S-4/10/97 Unfinished Business Calendar

HOUSE FILE 178
BY METCALF

(As Amended and Passed by the House, March 12, 1997)

Passed House, Date _____ Passed Senate, Date 4/14/97 (p. 1150)
Vote: Ayes _____ Nays _____ Vote: Ayes 49 Nays 0
Approved April 22, 1997

A BILL FOR

1 An Act relating to joint billing or collection of combined
2 service accounts for sanitary districts and a city utility or
3 combined utility system and to discontinue service for
4 delinquency, and providing for the establishment of benefited
5 districts and fees from the connection of property to the
6 sanitary facilities of a sanitary district.

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

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

House Amendments _____

1 Section 1. Section 358.20, unnumbered paragraph 1, Code
2 1997, is amended to read as follows:

3 Any sanitary district may by ordinance establish just and
4 equitable rates, charges, or rentals for the utilities and
5 services furnished by the district to be paid to the district
6 by every person, firm, or corporation whose premises are
7 served by a connection to the utilities and services directly
8 or indirectly. The rates, charges, or rentals, as near as may
9 be in the judgment of the board of trustees of the district,
10 shall be equitable and in proportion to the services rendered
11 and the cost of the services, and taking into consideration in
12 the case of the premises the quantity of sewage produced
13 thereby and its concentration, strength, and pollution
14 qualities. The board of trustees may change the rates,
15 charges, or rentals from time to time as it may deem
16 advisable, and by ordinance may provide for collection. The
17 board may contract with any municipality within the district,
18 whereby the municipality may collect or assist in collecting
19 any of the rates, charges, or rentals, whether in conjunction
20 with water rentals or otherwise, and the municipality may
21 undertake the collection and render the service. The board of
22 trustees may also contract pursuant to chapter 28E with one or
23 more city utilities or combined utility systems, including
24 city utilities established pursuant to chapter 388, for joint
25 billing or collection, or both, of combined service accounts
26 for sanitary district services and utility services, and the
27 contracts may provide for the discontinuance of one or more of
28 the sanitary district services or water utility services if a
29 delinquency occurs in the payment of any charges billed under
30 a combined service account. The rates, charges, or rentals,
31 if not paid when due, shall constitute a lien upon the real
32 property served by a connection. The lien shall have equal
33 precedence with ordinary taxes, may be certified to the county
34 treasurer and collected in the same manner as taxes, and is
35 not divested by a judicial sale.

1 Sec. 2. Section 358.22, Code 1997, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Subject to the limitations
4 otherwise stated in this section, the board of trustees may
5 establish one or more benefited districts and schedules of
6 fees for the connection of property to the sanitary sewer
7 facilities of a sanitary district. Each person whose property
8 will be connected to the sanitary sewer facilities of a
9 sanitary district shall pay a connection fee to the sanitary
10 district, which may include the equitable cost of extending
11 sanitary sewer service to the benefited district and
12 reasonable interest from the date of construction to the date
13 of payment. In establishing the benefited districts and
14 establishing and implementing the schedules of fees, the board
15 of trustees shall act in accordance with the powers granted to
16 a city in section 384.38, subsection 3, and the procedures in
17 that subsection. However, all fees collected under this
18 paragraph shall be paid to the sanitary district and the
19 moneys collected as fees shall be used only by the sanitary
20 district to finance improvements or extensions to its sanitary
21 sewer facilities, to reimburse the sanitary district for funds
22 disbursed by its board of trustees to finance improvements or
23 extensions to its sanitary sewer facilities, or to pay debt
24 service on obligations issued to finance improvements or
25 extensions to its sanitary sewer facilities. This paragraph
26 does not apply when a sanitary district annexation plan or
27 petition includes annexation of an area adjoining the district
28 or a petition has not been presented for a sewer connection.
29 Until the annexation becomes effective or the annexation plan
30 or petition is abandoned, the state mandate contained in
31 section 455B.172, subsections 3, 4, and 5, shall not apply
32 unless the property owner requests to be connected to the
33 sanitary district's sewer facilities and voluntarily pays the
34 connection fee.

35 Sec. 3. Section 384.84, subsection 6, Code 1997, is

1 amended by adding the following new paragraph:

2 NEW PARAGRAPH. c. One or more city utilities or combined
3 utility systems, including city utilities established pursuant
4 to chapter 388, may contract pursuant to chapter 28E with one
5 or more sanitary districts established pursuant to chapter 358
6 for joint billing or collection, or both, of combined service
7 accounts from utility services and sanitary district services.
8 The contracts may provide for the discontinuance of one or
9 more of the city water utility services or sanitary district
10 services if a delinquency occurs in the payment of any charges
11 billed under a combined service account.

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

HOUSE FILE 178

AN ACT

RELATING TO JOINT BILLING OR COLLECTION OF COMBINED SERVICE ACCOUNTS FOR SANITARY DISTRICTS AND A CITY UTILITY OR COMBINED UTILITY SYSTEM AND TO DISCONTINUE SERVICE FOR DELINQUENCY, AND PROVIDING FOR THE ESTABLISHMENT OF BENEFITED DISTRICTS AND FEES FROM THE CONNECTION OF PROPERTY TO THE SANITARY FACILITIES OF A SANITARY DISTRICT.

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

Section 1. Section 358.20, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Any sanitary district may by ordinance establish just and equitable rates, charges, or rentals for the utilities and services furnished by the district to be paid to the district by every person, firm, or corporation whose premises are served by a connection to the utilities and services directly

or indirectly. The rates, charges, or rentals, as near as may be in the judgment of the board of trustees of the district, shall be equitable and in proportion to the services rendered and the cost of the services, and taking into consideration in the case of the premises the quantity of sewage produced thereby and its concentration, strength, and pollution qualities. The board of trustees may change the rates, charges, or rentals from time to time as it may deem advisable, and by ordinance may provide for collection. The board may contract with any municipality within the district, whereby the municipality may collect or assist in collecting any of the rates, charges, or rentals, whether in conjunction with water rentals or otherwise, and the municipality may undertake the collection and render the service. The board of trustees may also contract pursuant to chapter 28E with one or more city utilities or combined utility systems, including city utilities established pursuant to chapter 388, for joint billing or collection, or both, of combined service accounts for sanitary district services and utility services, and the contracts may provide for the discontinuance of one or more of the sanitary district services or water utility services if a delinquency occurs in the payment of any charges billed under a combined service account. The rates, charges, or rentals, if not paid when due, shall constitute a lien upon the real property served by a connection. The lien shall have 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.

Sec. 2. Section 358.22, Code 1997, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Subject to the limitations otherwise stated in this section, the board of trustees may establish one or more benefited districts and schedules of fees for the connection of property to the sanitary sewer facilities of a sanitary district. Each person whose property

will be connected to the sanitary sewer facilities of a sanitary district shall pay a connection fee to the sanitary district, which may include the equitable cost of extending sanitary sewer service to the benefited district and reasonable interest from the date of construction to the date of payment. In establishing the benefited districts and establishing and implementing the schedules of fees, the board of trustees shall act in accordance with the powers granted to a city in section 384.38, subsection 3, and the procedures in that subsection. However, all fees collected under this paragraph shall be paid to the sanitary district and the moneys collected as fees shall be used only by the sanitary district to finance improvements or extensions to its sanitary sewer facilities, to reimburse the sanitary district for funds disbursed by its board of trustees to finance improvements or extensions to its sanitary sewer facilities, or to pay debt service on obligations issued to finance improvements or extensions to its sanitary sewer facilities. This paragraph does not apply when a sanitary district annexation plan or petition includes annexation of an area adjoining the district or a petition has not been presented for a sewer connection. Until the annexation becomes effective or the annexation plan or petition is abandoned, the state mandate contained in section 455B.172, subsections 3, 4, and 5, shall not apply unless the property owner requests to be connected to the sanitary district's sewer facilities and voluntarily pays the connection fee.

Sec. 3. Section 384.84, subsection 6, Code 1997, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. One or more city utilities or combined utility systems, including city utilities established pursuant to chapter 388, may contract pursuant to chapter 28E with one or more sanitary districts established pursuant to chapter 358 for joint billing or collection, or both, of combined service accounts from utility services and sanitary district services.

The contracts may provide for the discontinuance of one or more of the city water utility services or sanitary district services if a delinquency occurs in the payment of any charges billed under a combined service account.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 178, Seventy-seventh General Assembly.

Approved *[Signature]* 1997

ELIZABETH ISAACSON
Chief Clerk of the House

TERRY E. BRANSTAD
Governor