

JAN 13 2003  
LOCAL GOVERNMENT

SENATE FILE 2  
BY ANGELO

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

**A BILL FOR**

1 An Act requiring municipal water utilities to refund deposits to  
2 account holders under certain circumstances.

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

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SF 2  
LOCAL GOVERNMENT

1 Section 1. Section 384.84, Code 2003, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 3A. A deposit obtained by a city utility  
4 or enterprise from a customer to guarantee payment for water  
5 service shall be refunded to the customer after twelve  
6 consecutive months of prompt payment, which may include eleven  
7 timely payments and one automatic forgiveness of late payment,  
8 unless the city utility or enterprise has evidence to indicate  
9 that the deposit is necessary to ensure payment of bills for  
10 service or unless the city utility or enterprise is entitled  
11 to require a new or additional deposit. Each customer account  
12 shall be reviewed by the city utility or enterprise after  
13 twelve months of service and annually thereafter to determine  
14 if a customer is entitled to a refund of the deposit or if a  
15 new or additional deposit is required. The deposit shall be  
16 refunded to the person who made the deposit, less any unpaid  
17 water utility bill of the customer, upon termination of the  
18 customer's service.

19 EXPLANATION

20 This bill requires city utilities and enterprises to refund  
21 deposits obtained from customers to guarantee payment for  
22 water service after 12 months of prompt payment, which may  
23 include one automatic forgiveness of late payment, unless the  
24 city utility or enterprise has evidence to indicate that the  
25 deposit is necessary to ensure the payment of bills for  
26 service or unless a new or additional deposit is required.  
27 The bill provides that each customer account shall be reviewed  
28 by the city utility or enterprise after 12 months of service  
29 and every year thereafter to determine if the customer is  
30 entitled to a refund of the deposit or whether a new or  
31 additional deposit is required. If not previously refunded,  
32 the deposit must be refunded upon termination of the  
33 customer's service, less any unpaid water utility bill.

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