

**Senate Study Bill 1244 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON FEENSTRA)

**A BILL FOR**

1 An Act relating to special assessments for the cost of public  
2 improvements and the collection of connection fees for the  
3 connection of property to certain city utilities.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 384.37, subsection 19, paragraph b, Code  
2 2019, is amended to read as follows:

3 b. Drainage conduits, channels, ~~and~~ levees, and storm water  
4 culverts.

5 Sec. 2. Section 384.37, subsections 22 and 23, Code 2019,  
6 are amended to read as follows:

7 22. "Sewer" means structures designed, constructed, and used  
8 for the purpose of controlling or carrying off streams, surface  
9 waters, storm water, waste, or sanitary sewage.

10 23. "Sewer systems" are composed of the main sewers, sewage  
11 pumping stations, treatment and disposal plants, lateral  
12 sewers, drainage conduits or channels, storm water culverts,  
13 and sanitary and storm sewer connections in public streets for  
14 private property.

15 Sec. 3. Section 384.37, Code 2019, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 25A. "*Time of development*" means the  
18 earliest of the following, as applicable:

19 a. Recording of a subdivision plat pursuant to chapter 354.

20 b. Submission for approval of a site plan of the property.

21 c. Issuance of a building permit for the property.

22 Sec. 4. Section 384.38, subsection 3, paragraph a, Code  
23 2019, is amended to read as follows:

24 a. A city may establish, by ordinance or by resolution  
25 adopted as an ordinance after twenty days' notice published  
26 in accordance with [section 362.3](#), and a public hearing, one  
27 or more districts and schedules of fees for the connection of  
28 property to the city sanitary sewer or water utility, or for  
29 the conveyance of storm water from the property by the city  
30 storm water sewer utility. If the governing body directs that  
31 notice be made by mail, the notice shall be as required in  
32 section 384.50. Each person whose property will be served by  
33 connecting to the city sanitary sewer or water utility or who  
34 will be served by the storm water sewer utility shall pay a  
35 connection fee to the city. The ordinance shall be certified

1 by the city and recorded in the office of the county recorder  
2 of the county in which a district is located. The sanitary  
3 sewer or water utility connection fees are due and payable when  
4 a utility connection application is filed with the city. The  
5 storm water sewer utility connection fee is due and payable  
6 at the time of development. A connection fee may include the  
7 equitable cost of extending the utility to the properties  
8 or the equitable cost of providing the infrastructure to  
9 facilitate the conveyance of storm water from the properties,  
10 including reasonable interest from the date of construction to  
11 the date of payment. All fees collected under **this subsection**  
12 shall be paid to the city treasurer. The moneys collected  
13 as fees shall only be used for the purposes of operating  
14 the utility, or to pay debt service on obligations issued to  
15 finance improvements or extensions to the utility.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 Code chapter 384, subchapter IV, authorizes a city to assess  
20 to private property within the city the cost of construction  
21 and repair of public improvements within the city, and main  
22 sewers, sewage pumping stations, disposal and treatment plants,  
23 waterworks, water mains, extensions, and drainage conduits  
24 extending outside the city. This bill modifies the definition  
25 of "public improvement" to include storm water culverts. The  
26 bill modifies the definition of "sewer" to include structures  
27 designed, constructed, and used for the purpose of controlling  
28 or carrying off storm water. The bill modifies the definition  
29 of "sewer systems" to include storm water culverts, and  
30 specifies sewer connections to include sanitary and storm water  
31 sewer connections.

32 Current law provides cities the authority to establish,  
33 by ordinance after notice and a public hearing, one or  
34 more districts and schedules of fees for the connection of  
35 property to the city sewer or water utility. Each person

1 whose property will be served by connecting to the city sewer  
2 or water utility is required to pay a connection fee to the  
3 city when the application for connection is filed. Current  
4 law specifies that a connection fee may include the equitable  
5 cost of extending the utility to the properties, including  
6 reasonable interest from the date of construction to the date  
7 of payment. The bill adds the equitable cost of providing the  
8 infrastructure to facilitate the conveyance of storm water from  
9 the properties to the types of costs that may be included as  
10 part of the connection fee.

11 The bill authorizes cities to establish districts and  
12 schedules of fees for the conveyance of storm water from  
13 property by the storm water sewer utility. The storm water  
14 sewer utility connection fee is due and payable at the time of  
15 development, as defined in the bill.

16 By operation of law, the bill applies to the authority  
17 of sanitary districts under Code chapter 358 to establish  
18 connection fees.