

Council Communication

Office of the City Manager

Date August 11, 2008

Agenda Item No. 41
Roll Call No. 08Communication No. 08-483

Submitted by: Jeb E. Brewer, P.E.,

City Engineer

AGENDA HEADING:

Amending Chapter 118 of the Municipal Code regarding collection procedures for assessing delinquent sewer rental fees, solid waste charges, and storm water utility fees.

SYNOPSIS:

Recommend approval to amend the Municipal Code of the City of Des Moines, Iowa, relating to the City's process of assessing delinquent sewer rental fees, solid waste charges, and storm water utility fees as a result of changes made by the 2008 Iowa General Assembly under House File 2392, amending Iowa Code Section 384.84, which was effective July 1, 2008.

FISCAL IMPACT: NONE

Amount: N/A

Funding Source: N/A

ADDITIONAL INFORMATION:

During the 2008 legislative session, the Iowa Legislature approved House File 2392, which was signed into law by Governor Chet Culver on April 16, 2008. This law amends Iowa Code Section 384.84, the state statute governing billing and collection procedures for city utilities, by altering the collection practices available to city utilities for account holders who are delinquent in paying water and sewer rental fees, solid waste charges, and storm water utility fees.

Due to these revisions, the City through its agent Des Moines Water Works, will no longer be able to discontinue water service to and/or certify special assessment liens for delinquent sewer rental fees, solid waste charges, and storm water utility fees against a property that has been transferred or sold by a delinquent account holder to a new owner.

Portions of Municipal Code Section 118-159, "Collection procedures; discontinuance of water service; tax lien", should be revised to reflect the changes in collection practices for delinquent accounts as governed by Iowa Code Section 384.84. In terms of process, the code revisions will require the Engineering Department to verify that the serviced property has not been sold or transferred by the delinquent account holder, prior to presenting a special assessment schedule to the City Council for consideration and lien certification to the Polk County Treasurer. If the serviced property has been transferred of record, then the City cannot certify a special assessment against that property as in the past. The Iowa Code change basically states that the delinquent accounts are against the owner of the property

and not the property being served, as previously stated in the code. However, Iowa Code does provide that the City may certify the delinquent special assessment against any property within the State owned by the person with the delinquent accounts. If the property is not in Polk County, the special assessment for the delinquent account must be certified to the county treasurer where the property exists. It may become cost prohibitive to locate these delinquent people and process separate special assessment schedules for individual counties, so some of these delinquent accounts may be sent to collection agencies or written off.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Second and third readings of the ordinance.

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