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## Local Government Committee

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### HB 1179

**Brief Description:** Revising the lien for collection of sewer charges by counties.

**Sponsors:** Representatives Morrell, Sawyer, Zeiger, Takko and Ryu.

#### Brief Summary of Bill

- Provides counties operating sewerage and/or water systems with an alternative sewerage lien procedure for delinquent sewer utility charges by authorizing counties to use lien attachment and enforcement procedures currently available to cities and towns.

**Hearing Date:** 1/25/13

**Staff:** Michaela Murdock (786-7289).

#### **Background:**

##### County Liens for Delinquent Sewer and Water Bills.

All counties operating sewerage and/or water systems must have a lien for all delinquent charges on properties for which sewer or water services were available. The lien is for all delinquent charges, interest, and penalties. The county department charged with the administration of county sewerage and/or water systems (department) must report delinquent charges to the county auditor periodically. The lien attaches to the property at the time the department reports the charges.

Sixty days after attachment of the lien, the county may bring suit to foreclose the lien. Costs associated with bringing suit must be added to the lien at that time. Liens for delinquent charges are foreclosed in the same manner as real property tax liens.

##### City and Town Liens for Delinquent Sewer and Water Bills.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Cities or towns that own their own sewer and water systems must have a lien for delinquent charges against properties to which sewer and water service was furnished or is available. The lien must include all delinquent and unpaid rates and charges, and may include interest.

Without any writing or recording, a city or town sewerage lien is effective for not more than six months' delinquent charges. To make such a lien effective for more than six months' delinquent charges, the applicable city or town administrator must file with the county auditor a sewerage lien notice. The form of the sewerage lien notice, which is prescribed by law, includes provisions that set out the legal description of the premises, the dollar amount claimed for not more than six months' delinquent charges and interest, and that future sewerage charges against the property are also claimed.

The lien must be recorded in the manner required for mechanics' liens, which requires that the county auditor record the notice of claim of lien in the same manner as deeds and other instruments of title.

By resolution or ordinance, any city or town may provide that, without any writing or recording, a sewerage lien is effective for not more than one year's delinquent service charges.

As an additional means of enforcing sewerage liens, cities and towns may provide by ordinance for enforcement of the lien by cutting off water service from the property to which service was furnished and charges are delinquent and unpaid. Service may be cut off until the charges are paid.

**Summary of Bill:**

In addition to all delinquent charges, interest, and penalties, county sewer and water liens must include lien recording and release fees.

An alternate procedure for attachment of county sewer and water liens is authorized. In lieu of the current procedure in which county sewer and water departments periodically report delinquent charges to county auditors, counties may adopt the procedure used by cities and towns:

- for not more than six months' delinquent charges, no writing or recording is required; however, the county may provide by ordinance that no writing or recording is required for not more than one year's delinquent charges; and
- for more than six months' delinquent charges, the county administrator must file for recording a sewerage lien notice with the county auditor.

Additionally, the county may provide by ordinance for enforcement of the lien by cutting off water service from the property to which service was furnished and charges are delinquent and unpaid.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.