

# Senate Bill 888

Sponsored by COMMITTEE ON FINANCE AND REVENUE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Consolidates methods of collection for delinquent utility accounts. Allows local governments and special districts to collect on delinquent utility accounts by use of liens and tax assessment charges. Makes owner of property with two or more residential units responsible for utility delinquencies upon notice.

## A BILL FOR AN ACT

1  
2 Relating to utility account delinquencies; creating new provisions; and amending ORS 223.594,  
3 311.370, 450.130, 450.880, 451.510, 454.225 and 552.325.

4 **Be It Enacted by the People of the State of Oregon:**

### **SECTION 1. (1) As used in this section:**

5  
6 (a) "Local government" means a city or county.

7 (b) "Service provider" means a city, county or special district that provides or delivers  
8 any combination of water, sewer or storm water service to real properties.

9 (c) "Special district" has the meaning given that term in ORS 451.573.

10 (2) If a service provider provides water, sewer or storm water service to a property with  
11 two or more dwelling units, and if the account is not in the name of the property owner, any  
12 delinquent charges are the property owner's responsibility if the service provider gives notice  
13 of the delinquent charges by first class mail within 60 days after the due date for the charges  
14 to the last known property owner on file with the service provider.

15 (3)(a) If payment for water, sewer or storm water service is not made when due to a local  
16 government and the water service has not been shut off, the local government may place a  
17 lien on the property to which the service is provided if the property consists of two or more  
18 dwelling units. The lien amount is equal to the amount due for the service, together with any  
19 interest or penalties owing on the account. The local government shall place the lien on its  
20 lien docket in the manner provided by ordinance or charter of the local government.

21 (b) At any time after 60 days from the time the lien is entered in the lien docket of the  
22 local government, in addition to any other method provided by law, ordinance or the charter  
23 of the local government, the lien may be foreclosed in the manner provided under ORS  
24 223.510 to 223.595.

25 (4)(a) If payment for water, sewer or storm water service is not made when due to a  
26 special district, the secretary of the district may file a notice of claim of lien against the  
27 property to which the service is provided with the recording officer of the county in which  
28 the property is situated if the property consists of two or more dwelling units. The notice  
29 of claim of lien must be in writing and must contain:

30 (A) The name of the person to whom the water, sewer or storm water service was pro-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 vided;

2 (B) A statement of the amount claimed as past due; and

3 (C) A description of the property that received the water, sewer or storm water service  
4 sufficient for identification.

5 (b) Upon filing of the notice, the delinquent charges and costs of filing and removing the  
6 notice become a lien upon all property described in the notice in the amounts set forth in  
7 the notice.

8 (5) If payment for water, sewer or storm water service is not made when due, a service  
9 provider may certify and present any of the charges to the tax assessor of the county in  
10 which the service provider is situated. The charges must be certified after July 15 and on  
11 or before the following July 15. The assessor shall then assess the charges against the  
12 property serviced on the next assessment and tax roll prepared after the following July 15.  
13 Once the assessor has certified the charges as presented, the payment for the charges must  
14 be made to the tax collector pursuant to ORS 311.370. The person responsible for the delin-  
15 quent charge or the service provider that has received payment for the delinquent charge  
16 shall make the payment. The charges shall be collected and paid over in the same manner  
17 as other taxes are certified, assessed, collected and paid over.

18 (6) If a service provider provides sewer or storm water service to a real property but does  
19 not provide water service to that property, the service provider may contract with the water  
20 service provider for that real property to assist in collection of delinquent sewer or storm  
21 water charges by cutting off the water service, even if the water service account is not de-  
22 linquent.

23 **SECTION 2.** ORS 223.594 is amended to read:

24 223.594. *[(1) When water service is provided to a multifamily building with five or more units with  
25 a single water meter, the owner of the real property shall be considered the user of the water. If pay-  
26 ment for such water is not made when due and the water service has not been shut off or will not be  
27 shut off, the municipal utility may place a lien on the premises to which water service was provided  
28 for the amount due for such service.]*

29 *[(2)]* When requested by the property owner and authorized by the municipal utility, a single  
30 water meter may serve several parcels of real property owned by the same owner. The owner of  
31 those parcels of real property shall be considered the user of the water. *[If payment for such water  
32 is not made when due and the water has not been shut off or will not be shut off, the municipal utility  
33 providing such service may place a lien on the real property to which water service was provided for  
34 the amount due for such service.]*

35 *[(3) At any time after 60 days from the time the lien is entered in the lien docket of the local gov-  
36 ernment, in addition to any method provided by law, ordinance or the charter of any local government,  
37 the lien may be foreclosed in the manner provided under ORS 223.510 to 223.595.]*

38 **SECTION 3.** ORS 454.225 is amended to read:

39 454.225. The governing body of the municipality may establish just and equitable rates or  
40 charges to be paid for the use of the disposal system by each person, firm or corporation whose  
41 premises are served thereby, or upon subsequent service thereto. *[If the service charges so estab-  
42 lished are not paid when due, the amounts thereof, together with such penalties, interests and costs as  
43 may be provided by the governing body of the municipality may be recovered in an action at law, or  
44 if the municipality does not have the ability to collect sewerage disposal charges in connection with or  
45 as part of the charge for another service or utility that can be curtailed to secure collection, the charge*

1 *may be certified and presented after July 15 and on or before the following July 15 to the tax assessor*  
 2 *of the county in which the municipality is situated and be by the assessor assessed against the premises*  
 3 *serviced on the next assessment and tax roll prepared after July 15. Once the service charges are cer-*  
 4 *tified and presented to the assessor, the payment for the service charges must be made to the tax col-*  
 5 *lector pursuant to ORS 311.370. Such payment shall be made by the person responsible for the*  
 6 *delinquent service charge or by the municipality who has received payment for the delinquent service*  
 7 *charge. These charges shall thereupon be collected and paid over in the same manner as other taxes*  
 8 *are certified, assessed, collected and paid over.]*

9 **SECTION 4.** ORS 311.370 is amended to read:

10 311.370. (1)(a) For all taxes, penalties and other charges collected by the tax collector under,  
 11 including, but not limited to, ORS 92.095, 100.110, 285C.050 to 285C.250, 308.260, 308.865, 308A.119,  
 12 308A.324, 308A.700 to 308A.733, 311.165, 311.206, 311.229, 311.405 (4) or (5), 311.415, 311.465, 354.690,  
 13 358.525[,] **and** 446.631 and [454.225] **section 1 of this 2009 Act**, the tax collector shall issue receipts  
 14 similar in form to the receipts issued on payment of taxes regularly charged on the tax roll.

15 (b) The assessor shall enter all assessments of property to which paragraph (a) of this subsection  
 16 applies in the assessment roll and shall make proper entries showing the extension of the taxes in  
 17 the usual manner and as though no payment to the tax collector had been made.

18 (2) Upon receipt thereof, the tax collector shall deposit with the county treasurer all money  
 19 collected by the tax collector under subsection (1) of this section. The county treasurer shall issue  
 20 to the tax collector duplicate receipts for the money and shall hold it in a special account in the  
 21 name of the tax collector.

22 (3) Upon delivery of the assessment roll pursuant to ORS 311.115, the tax collector shall post  
 23 the payments evidenced by the receipts, and the amount of any underpayment or overpayment. The  
 24 tax collector shall then make a statement to the county treasurer which shall specify the amount  
 25 to be retained in the special account to make the refunds required under subsection (4) of this sec-  
 26 tion. The tax collector shall direct the county treasurer to transfer the balance in the special ac-  
 27 count to the unsegregated tax collections account described in ORS 311.385.

28 (4) Any sum collected by the tax collector that exceeds the amount extended on the tax roll as  
 29 provided in subsection (1)(b) of this section by \$5 or more shall be refunded to the taxpayer by the  
 30 county treasurer upon receiving instructions for doing so from the tax collector. If an amount re-  
 31 mains that cannot be refunded by June 30 of the next calendar year, the tax collector shall instruct  
 32 the treasurer to transfer the amount to the unsegregated tax collections account described in ORS  
 33 311.385.

34 (5) If a sum less than the tax charged on the tax roll has been collected, the deficiency shall  
 35 be canceled by the tax collector if such sum is \$5 or less, and the tax collector shall note upon the  
 36 tax roll opposite the appropriate account, "Tax deficiency canceled pursuant to ORS 311.370." Oth-  
 37 erwise, the deficiency shall be collected as provided by law.

38 (6) If an appeal that is perfected under ORS 311.467 for taxes collected under ORS 311.465 re-  
 39 sults in a refund under ORS 311.806, the reimbursement for the refund to the unsegregated tax col-  
 40 lections account shall be made from the account provided for in subsection (2) of this section.

41 **SECTION 5.** ORS 450.130 is amended to read:

42 450.130. (1) The sanitary board may enact ordinances levying sewer service charges within the  
 43 district, for the purpose of financing the construction, operation and maintenance of the sewage  
 44 collection and disposal system.

45 (2) The board may contract with any city or district serving water in such area to collect such

1 service charges with the water bills, and the serving agency may cut off water for nonpayment of  
2 such service charges. The board may pay the water serving agency for the reasonable cost of such  
3 collection services.

4 (3) Service charges may also be collected and enforced as provided in [ORS 454.225] **section 1**  
5 **of this 2009 Act.**

6 **SECTION 6.** ORS 450.880 is amended to read:

7 450.880. (1) The authority may adopt ordinances imposing sewer service charges within an area  
8 within the authority, for the purpose of financing the improvement, operation and maintenance of  
9 a sewage disposal or drainage system acquired or constructed by the authority for the area.

10 (2) The board may contract with any city or district serving water in such area to collect such  
11 service charges with the water bills, and the serving agency may cut off water for nonpayment of  
12 such service charges. The board may pay the water-serving agency for the reasonable cost of such  
13 collection services.

14 (3) Service charges may also be collected and enforced in substantially the manner provided in  
15 [ORS 454.225] **section 1 of this 2009 Act.**

16 **SECTION 7.** ORS 451.510 is amended to read:

17 451.510. (1) The district may contract with any city or water or other district serving water in  
18 the district to collect service or user charges with the water bills, and the serving agency may cut  
19 off water for nonpayment of such service or user charges. The district may pay the water-serving  
20 agency a reasonable charge for such collection services.

21 (2) Assessments of less than \$25 and service or user charges may also be collected and enforced  
22 as provided in [ORS 454.225] **section 1 of this 2009 Act.**

23 **SECTION 8.** ORS 552.325 is amended to read:

24 552.325. (1) The district board shall fix charges for water furnished for domestic, industrial and  
25 municipal purposes so that the water system is self-sustaining. All indebtedness incurred in the ac-  
26 quisition, construction, maintenance, operation and disposition of the system shall be paid from the  
27 revenue collected and from the proceeds of the disposition of the whole or any part of the water  
28 system. The district board may establish rates or charges to be paid by each person whose premises  
29 are served. The rates or charges may be fixed and classified according to the type of use and ac-  
30 cording to the amount of water used, and according to whether the property serviced lies within or  
31 without the boundaries of the district.

32 (2) The district shall establish and maintain separate accounts covering the acquisition, con-  
33 struction, reconstruction, maintenance, operation and disposition of the domestic, industrial and  
34 municipal water system.

35 (3) The district board may contract with any other district or with a city to collect water  
36 charges for the district within the other district or city and the district may pay a reasonable  
37 charge for such services.

38 (4) Water charges may also be collected and enforced as provided by [ORS 454.225] **section 1**  
39 **of this 2009 Act.**

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