



SENATE BILL 733: Certain Towns Sewer Fee Collections.

2016-2017 General Assembly

Committee: House Local Government
Introduced by: Sen. Smith
Analysis of: PCS to First Edition
S733-CSST-112

Date: June 14, 2016
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Committee Counsel

SUMMARY: *The proposed committee substitute for Senate Bill 733 authorizes the Towns of Fairmont, La Grange, and Proctorville to collect delinquent fees for sewer services in the same manner that property taxes are collected.*

CURRENT LAW: Municipalities are authorized to acquire, construct, establish, maintain, own, operate, and contract for the operation of a "public enterprise," which includes wastewater collection, treatment, and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities. [G.S. 160A-311-312]. Municipalities are also authorized to establish a schedule of rates and fees for the use of or the services furnished by any public enterprise. [G.S. 160A-314].

A municipality has the authority to collect delinquent accounts by any remedy provided by law for collecting and enforcing private debts. [G.S. 160A-314(b)]. A municipality may also discontinue service to any customer whose account remains delinquent for more than 10 days. [G.S. 160A-314(b)]. A municipality may also use the debt set-off collection process to collect taxes, assessments, fees, fines, or any obligation owed to the city that is more than \$50.00. [Chapter 105A.]

Property taxes may be collected in the following ways:

- Placement of a lien on real and personal property, which is superior to all other liens.
- Sale of real or personal property.
- Attachment and garnishment of wages and bank accounts.

BILL ANALYSIS: The PCS would authorize the Towns of Fairmont, La Grange, and Proctorville to adopt an ordinance providing that any water fee, sewer fee, or stormwater management fee, imposed by that Town may be billed and collected in the same manner as property taxes. If the ordinance adopted by the Town provides that delinquent fees may be collected in the same manner as delinquent real property taxes, then the delinquent fees are a lien on the real property described on the delinquent bill.

EFFECTIVE DATE: Effective when it becomes law.

Karen Cochrane-Brown
Director



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Legislative Analysis
Division
919-733-2578

Senate PCS 733

Page 2

BACKGROUND: In addition, the following local legislation regarding delinquent water and sewer fees has been enacted:

- S.L. 1993-768: Authorizes City of Durham to collect delinquent water and sewer fees resulting from leaking or broken pipes of the real property owner in the same manner as property taxes.
- S.L. 2003-270: Authorizes Davie, Duplin, and Lenoir Counties, the municipalities in these counties, and in Columbus County, and water and wastewater authorities in Davie, Duplin, and Lenoir Counties to collect delinquent water and sewer fees in the same manner as delinquent property taxes.
- S.L. 2009-402 Authorizes Montgomery County to collect delinquent water and sewer fees in the same manner as delinquent property taxes.
- S.L. 2010-59 Authorizes the City of Locust and the Towns of New London and Stanfield to collect delinquent sewer fees in the same manner as delinquent property taxes.