



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# HOUSE BILL 184: Certain Towns/Sewer Fee Collections.

2017-2018 General Assembly

<b>Committee:</b>	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	May 23, 2017
<b>Introduced by:</b>	Reps. C. Graham, Brisson, Pierce, G. Graham	<b>Prepared by:</b>	Nicholas Giddings
<b>Analysis of:</b>	First Edition		Committee Counsel

**OVERVIEW:** House Bill 184 would authorize the Towns of Fairmont, La Grange, Proctorville, and St. Pauls to collect delinquent fees for sewer services in the same manner that property taxes are collected.

Senate Bill 115 would authorize the Towns of Bolton, Fairmont, Pembroke, Proctorville, Rowland, and St. Pauls to collect delinquent fees for sewer services in the same manner that property taxes are collected.

**AMENDMENT:** There is an amendment to House Bill 184 that would add the Towns of Bolton, Pembroke and Rowland to the bill. This would effectively combine Senate Bill 115 with House Bill 184.

**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.<sup>1</sup> Municipalities are authorized to establish a schedule of rates and fees for the use of or the services furnished by any public enterprise.<sup>2</sup>

A municipality has the authority to collect delinquent accounts by any remedy provided by law for collecting and enforcing private debts.<sup>3</sup> A municipality may discontinue service to any customer whose account remains delinquent for more than 10 days.<sup>4</sup> 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.<sup>5</sup>

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:** House Bill 184 would authorize the Towns of Fairmont, La Grange, Proctorville, and St. Pauls to adopt an ordinance providing that any water fee, sewer fee, or stormwater management

<sup>1</sup> G.S. 160A-311; G.S. 160A-312.  
<sup>2</sup> G.S. 160A-314.  
<sup>3</sup> G.S. 160A-314(b).  
<sup>4</sup> G.S. 160A-314(b).  
<sup>5</sup> Chapter 105A.

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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:** The bill would become effective when it becomes law.

**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. 2005-441: Authorizes the Village of Clemmons and the Town of Kernersville to collect delinquent stormwater utility 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.
- S.L. 2011-109: Authorizes the Towns of Garner, Knightdale, Morrisville, Wendell, and Zebulon and the Cities of Durham and Winton-Salem to collect delinquent stormwater utility fees in the same manner as delinquent property taxes.
- S.L. 2012-55: Authorizes Granville County, Person County, the City of Creedmoor, and the Towns of Butner and Stem to collect delinquent stormwater utility fees in the same manner as delinquent property taxes.
- S.L. 2013-253: Authorizes Camden County to collect delinquent stormwater utility fees in the same manner as delinquent property taxes.
- S.L. 2014-98: Authorizes the Town of Spindale and the Cape Fear Public Utility Authority to collect an unpaid sewer availability fee in the same manner as delinquent property taxes.

*Giles Perry, Jessica Sammons, and Trina Griffin, Staff Attorneys in the Legislative Analysis Division, substantially contributed to this summary.*