

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7496

BILL NUMBER: HB 1464

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Notice of Delinquent Sewer and Storm Water Bills.

FIRST AUTHOR: Rep. Tyler

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Storm Water & Sewage Fee Delinquency Notices*- The bill provides that for purposes of: (1) the statute governing storm water management in certain local government units; (2) the statute governing municipal sewer utilities; and (3) the statute governing sanitation departments in certain municipalities; certain notices must be provided when storm water or sewer fees assessed against real property become delinquent. The bill provides that delinquency notices must be provided to the address of the real property served by the storm water or sewage works and, in the case of property occupied by someone other than the owner, to the property owner: (1) when the fees first become delinquent; and (2) after the first notice is sent, if the fees continue to be delinquent.

Notice Contents- The bill provides that the first notice must contain a statement that: (1) a lien will not attach to the property; and (2) collection charges and attorney's fees will not be assessed; if the delinquency is paid not later than 30 days after the date of the notice. The bill provides that in the case of property occupied by someone other than the owner, notices to the property owner must be sent by certified mail or an equivalent service to: (1) an address provided by the owner for receiving notices; or (2) the last address of the owner as indicated in the records of the county auditor on the date of the notice.

Delay of Civil Action- The bill prohibits a municipality from recovering delinquent sewer fees and penalties by initiating a civil action unless: (1) the required notices have been sent; and (2) the fees are at least 60 days delinquent.

No Liens Without Notices Sent- The bill provides that a lien for delinquent sewer or storm water fees attaches only if the required notices have been sent.

Deferral Time- The bill provides that enforcing collection of unpaid storm water or sewer fees and penalties must be deferred until: (1) the required notices of delinquency have been sent; and (2) the unpaid fees and penalties are at least 60 days delinquent.

Notices for Weed/Rank Vegetation Removal- The bill provides that a municipality or county that issues a notice or bill to a property owner in connection with the removal of weeds or rank vegetation from the owner's property must send the notice or bill by certified mail or an equivalent service to: (1) an address provided by the owner for receiving notices or bills; or (2) the last address of the owner as indicated in the records of the county auditor on the date of the notice or bill. The bill provides that if the owner's address is not the address of the real property on which the violation has occurred, a copy of the notice or bill must be also be sent by United States mail to the address of the real property on which the violation has occurred.

Notice Contents- The bill provides that a bill sent to the property owner for the removal of weeds or rank vegetation must include: (1) the amount owed by the owner for the costs incurred by the municipality or county in abating the violation; and (2) a statement that a lien will not attach to the property, and that collection charges and attorney's fees will not be assessed, if the amount owed is paid not later than 30 days after the date of the bill.

Effective Date: Upon passage; July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Municipal sewer boards, city sanitation departments, or public works boards may require additional expenditures to send multiple notices to property owners as well as tenants. Notices to property owners would be required to be sent by first class mail with return receipt. The bill provides, however, that the local unit sending the notice could recoup the cost to mail the notice as an administrative expense in addition to fees owed.

Explanation of Local Revenues: The notices proposed by the bill could increase the time period that local units of government would have to wait to receive revenue from delinquent fees. The delay provided by the bill that a local unit could file an action in court to collect fees would slow the collection of delinquent sewer, storm water, or rank vegetation removal fees.

State Agencies Affected:

Local Agencies Affected: Trial courts, counties, cities, towns.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.