

# HB13S1 POLITICAL SUBDIVISION LIENS UPDATE



## WHAT IS A UTILITY LIEN?

A lien is a legal claim against a person or property to secure payment of a utility debt or utility service.

## MUNICIPAL LIENS LIMITS:

- Sewer
- Storm Drain Infrastructure
- Water

**MUNICIPAL LIENS ARE AN EFFICIENT WAY TO COLLECT PAYMENTS FROM DEADBEATS WHO DON'T PAY THEIR UTILITY BILLS**

**LOWERS THE COST FOR HONEST TAXPAYERS SO THEY DON'T HAVE TO PAY FOR DEADBEATS' BILLS**

## KEY POLICY POINTS

- ✓ Municipalities must contact **both** the customer and the property owner (if rental)
- ✓ Special Service Districts (SSD) currently use liens for overdue water or sewer bills (~3%)
  - Average lien ~\$185
- ✓ HB13 Lowers max interest rate for SSDs from 18% to property tax max of 7-10%
- ✓ Municipalities limited to a 1-time penalty of up to 8%

- ✓ Political Subdivision liens get paid off each year with the property owner's property tax bill
- ✓ Limits foreclosures, lawsuits bad credit impacts, and collections problems. Improves safety for utility workers.

