

FILED FEB 19 2002

SENATE FILE

2242

BY ANGELO

Passed Senate, Date _____ Passed House, Date _____
 Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act requiring city utilities and enterprises to refund
 2 deposits for water service to account holders under certain
 3 circumstances.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2242
 COMMERCE

1 Section 1. Section 384.84, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 3A. A deposit obtained by a city utility
4 or enterprise from a customer to guarantee payment for water
5 service shall be refunded to the customer after twelve
6 consecutive months of prompt payment, which may include eleven
7 timely payments and one automatic forgiveness of late payment,
8 unless the city utility or enterprise has evidence to indicate
9 that the deposit is necessary to ensure payment of bills for
10 service or unless the utility or enterprise is entitled to
11 require a new or additional deposit. Each customer account
12 shall be reviewed by the city utility or enterprise after
13 twelve months of service and annually thereafter to determine
14 if a customer is entitled to a refund of the deposit or if a
15 new or additional deposit is required. The deposit shall be
16 refunded to the person who made the deposit, less any unpaid
17 water utility bill of the customer, upon termination of the
18 customer's service.

19 EXPLANATION

20 This bill requires city utilities and enterprises to refund
21 deposits obtained from customers to guarantee payment for
22 water service after 12 months of prompt payment, which may
23 include one automatic forgiveness of late payment, unless the
24 city utility or enterprise has evidence to indicate that the
25 deposit is necessary to ensure the payment of bills for
26 service or unless a new or additional deposit is required.
27 The bill provides that each customer account shall be reviewed
28 by the city utility or enterprise after 12 months of service
29 and every year thereafter to determine if the customer is
30 entitled to a refund of the deposit or whether a new or
31 additional deposit is required. If not previously refunded,
32 the deposit must be refunded upon termination of the
33 customer's service, less any unpaid water utility bill.

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