

Folsom City Council Staff Report

MEETING DATE:	12/14/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Ordinance No. 1319 - An Ordinance of the City of Folsom Amending Section 3.20.040 of the Folsom Municipal Code Pertaining to Responsible Parties for Municipal Services (Second Reading and Adoption)
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to adopt Ordinance No. 1319 - An Ordinance of the City of Folsom Amending Section 3.20.040 of the Folsom Municipal Code Pertaining to Responsible Parties for Municipal Services (Second Reading and Adoption).

BACKGROUND / ISSUE

The purpose of this Ordinance is to amend Section 3.20.040 of the Folsom Municipal Code to identify that real property owners are responsible for payment of municipal services provided to their properties such as solid waste, water, and sanitary sewer service.

As a health and safety requirement, services are not terminated or interrupted in between occupants. When a resident moves into a new property, we allow rental occupants to open utility accounts in their name if the real property owner has a current business license certificate and a \$240 deposit is added to the new utility account. Additionally, commercial accounts allow for a split amongst individual tenants for flat rate services provided to one parcel. We are the only agency surveyed in our region that allows for these utility services to transfer to a tenant and/or split services amongst tenants on one parcel.

California Health and Safety Code 5473 allows delinquent utility charges to be collected as a direct levy on the property tax roll. Folsom Municipal Code 3.20.040 also allows for unpaid charges to be collected on the property tax roll, and the Revenue Division administers this

process annually. As the City has grown over the years, having utility accounts in the tenant's name has resulted in a significant increase in staff time processing and managing tenant accounts, and presented unique challenges for the City to collect delinquent payments.

Ordinance No. 1319 was presented for introduction and first reading at the November 9 City Council meeting. No changes have been made to the ordinance since first reading.

POLICY / RULE

Amendments and revisions to the Folsom Municipal Code must be reviewed and approved by the City Council.

ANALYSIS

The proposed ordinance amendment would identify that the owner of real property is responsible for utility service charges. This is in accordance with California Health and Safety Code section 5473 *et.seq.* and Folsom Municipal Code section 3.20.040, which allow delinquent service charges and applicable penalties to be collected on the tax roll and paid by the real property owner. Since property taxes are the responsibility of, and billed to, the real property owner, the best practice for these utility services is to also bill directly to the real property owner.

Rental properties located in American River Canyon are serviced by San Juan Water District, and they are already subject to this practice with the water portion of their utility bill. El Dorado Irrigation District, which will serve a future portion of the Folsom Plan Area, also adheres to the practice of billing the real property owner for utility services.

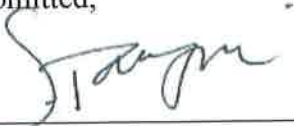
Thirty percent of the monthly turnover in utility accounts is due to changes in tenants, and the same amount of customer service time is spent identifying new account responsibility. The real property owner of a parcel is an official County recorded document that can be searched at any time by staff. This amendment allows the City to provide municipal service billing more efficiently, economically, and accurately. Property owners may, if they desire, contractually arrange with their tenants for making the utility payments.

The Revenue Division is recommending an 18-month transition after this ordinance is approved. As new rental starts are requested, staff will provide an explanation of the change in process, what this change means to them as a customer or property owner, and how a tenant can be authorized to receive a copy of the utility bill.

ATTACHMENT

1. Ordinance No. 1319 - An Ordinance of the City of Folsom Amending Sections 3.20.040 of the Folsom Municipal Code (Second Reading and Adoption)

Submitted,

A handwritten signature in cursive script, appearing to read "Stacey Tamagni".

Stacey Tamagni, Finance Director

ORDINANCE NO. 1319

**AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTION 3.20.040
OF THE FOLSOM MUNICIPAL CODE PERTAINING TO RESPONSIBLE
PARTIES FOR MUNICIPAL SERVICES**

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this Ordinance is to amend Section 3.20.040 of the Folsom Municipal Code to clarify that real property owners are responsible for payment of municipal services provided to their properties such as solid waste, water, and sanitary sewer service.

SECTION 2 AMENDMENT TO CODE

Section 3.20.040 of the Folsom Municipal Code is hereby amended to read as follows:

3.20.040 Collection methods.

A. The owner of real property to which one or more municipal services are rendered shall be responsible and liable for the payment of all municipal service charges, and the city may utilize all procedures available under this Code or state law to collect payment.

B. Charges for municipal services rendered to a parcel of real property shall be billed to the owner of that property as identified by the Sacramento County Clerk Recorder's Office, addressed to the owner at the owner's address shown in the Sacramento County Clerk Recorder's Office.

C. At the request of the real property owner submitted on a form approved by the Finance Director, a copy of the bill for municipal service charges may be sent to the owner's tenants, renters, or the owner's authorized representative, provided that the municipal services account shall remain in the owner's name and the owner shall remain fully responsible and liable for the payment of such municipal service charges as if the bill had been sent to the owner.

D. The property owner shall be fully responsible for payment of all municipal services rendered to the owner's property, and the city shall have no responsibility for, nor any involvement in, the allocation, billing, and collection of these costs by the owner from the owner's tenants, renters, or others.

E. The methods of collection set forth in this Chapter are in addition to any other method permitted or allowed by law and shall not repeal any existing law or ordinance now in effect with respect to collection of delinquent utility payments or service termination and restoration for delinquent accounts. Unpaid charges may become a lien on any property to the extent authorized by law.

SECTION 3 SCOPE

Except as set forth in this Ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 4 NO MANDATORY DUTY OF CARE

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 5 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 6 EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This Ordinance was introduced, and the title thereof read at the regular meeting of the City Council on November 9, 2021 and the second reading occurred at the regular meeting of the City Council on December 14, 2021.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing Ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 14th day of December 2021, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK