

SUBSTITUTE NO. 1 TO ORD. 24-007

AN ORDINANCE TO AMEND CHAPTER 45 OF THE CITY CODE TO PROHIBIT THE DEPARTMENT OF FINANCE FROM INCLUDING ARREARAGES OF UNPAID WATER, SEWERAGE, AND STORMWATER FEES AND RELATED COSTS IN MONITIONS ACTIONS AGAINST CUSTOMERS THAT ARE OWNER-OCCUPANTS

**Rev. 1
#0392**

Sponsor:

**Council
Member
Darby**

WHEREAS, *Wilm. C. (Rel. Laws) § 4-181*, derived from 36 Del. L. ch. 143, § 1, sets forth the process for the City to file a monitions action, also known as foreclosure, against a property owner for unpaid assessments; and

WHEREAS, *Wilm. C. §§ 45-53 and 45-54* allow the City to collect stormwater and sewerage fees from residents and non-residents served by the City’s sanitary sewer system; and

WHEREAS, *Wilm. C. § 45-175* allow the City to collect water usage bills from residents and non-residents served by the City’s water supply; and

WHEREAS, *Wilm. C. § 45-176* creates interest, penalties, and costs for unpaid water, stormwater, and sewerage bills; and

WHEREAS, collectively, these fees, interest, penalties, and costs are assessments for which the City may file motions actions; and

WHEREAS, delinquent fees disproportionately affect low-income residents; and

WHEREAS, many City utility customers are suffering from the economic harm caused by the pandemic and, more recently, inflation; and

WHEREAS, there are alternative ways to obtain payment of unpaid utility bills, including the City’s Utility assistance program, without resorting to monitions actions.

WHEREAS, the City should use monitions action as the last possible step in obtaining payment for a debt; and

WHEREAS, the City should not use unpaid utility bills as a basis for a monitions action; and

WHEREAS, *Wilm. C. (Charter) § 2-305* gives City Council the ability to modify a department’s duties; and

WHEREAS, City Council deems it necessary and proper to prohibit the Department of Finance from filing monitions actions on City residents whose arrearages include water, sewerage, and/or stormwater fees, interest, penalties, and costs.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Chapter 45 of the City Code is hereby amended by adding a new Section 45-7 thereto containing the underlined language to read as follows:

Sec. 45-7. – Utility Bill Foreclosure Ban.

Notwithstanding the provisions in section 4-181, the department of finance may not include overdue water, stormwater, and/or sewerage fees, and any associated interest, penalties, and costs, as described in section 45-53, 45-54, 45-175, and 45-176, in monitions actions filed against residential customers who are owner-occupants.

SECTION 2. Chapter 45 of the City Code is hereby amended by renumbering certain reserved sections thereof by deleting the stricken language and adding the underlined language to read as follows:

Secs. 45-78 – 45-30. – Reserved.

SECTION 3. This Ordinance shall become effective on July 1, 2024.

First Reading.....February 15, 2024
Second Reading.....February 15, 2024
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2024.

Mayor

SYNOPSIS: This Ordinance amends Chapter 45 of the City Code to prohibit the Department of Finance from instituting monitions actions against City utility customers whose debts consist solely of unpaid water, sewerage, and stormwater fees, interest, penalties, and costs. This Ordinance shall become effective on July 1, 2024.

FISCAL IMPACT STATEMENT: The fiscal impact of this Ordinance cannot be precisely quantified.

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