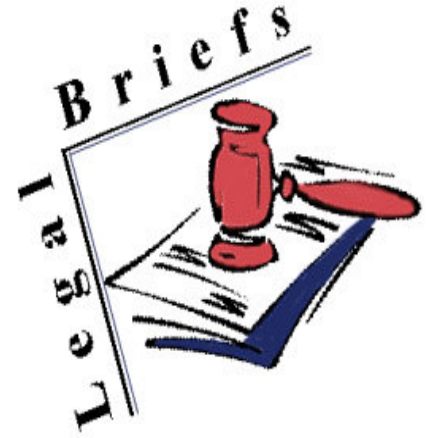




WHY WE DO WHAT WE DO

Legal background for what the Village does with your sewer, water and electric bills.



Things you may want to know about the ordinances and laws that govern Village actions.

Q Why do delinquent water, sewer and electric bills stay with the property? Shouldn't you go after the owner or renter who used the water, sewer or electric services and not me as the property owner or new renter?

A It may sound weird to say the customer is the 'property' - not the person, but, that is the case. The fact that the 'premise' – the property - is the customer applies to municipal utilities such as water, sanitary sewer and electric utilities. Municipal utility services are governed by Michigan State Laws (statutes) and not the Michigan Public Services Commission as are private companies that provide you gas and electric services. Michigan Compiled Laws (MCL) tells us what we can and cannot do with delinquent bills. MCL 124.281 and MCL 141.101 et. seq. allow us to shut off utilities, charge delinquent bills to the premise (property), and even to place a lien against the property to collect unpaid utility bills.

Michigan laws were set up this way to assure municipalities like Paw Paw are able to finance water, sewer and electric services for their residents. Most municipal services are financed by selling bonds or by borrowing money. A municipality's ability to repay its debt is by the revenue they receive from selling water, sewer and electric services. To make sure the community would have enough revenue to pay its debt, the laws were written to indicate the 'premise' (property) was the customer, not the person. This way, no one could 'skip out' on paying their bill and deprive the municipality of revenue to pay its debt. The property owner is ultimately held accountable for payment of any delinquent outstanding bills. State Law MCL 141.101 et. seq. allows delinquent bills to be placed as a lien on the property and collected with usual property tax bills and payments.

The State Laws governing this were accepted by the Village and put into our Code of Ordinances in Chapter 38. These sections were based on MCL 24.281 and 141.101

- Chapter 38 Section 32 (d) (1) & (2) says water bills become a lien against the premises.
- Chapter 38 Section 81 (j) (1) and (2) says sewer bills become a lien against the premise.
- Chapter 38-141 (12) says delinquent electric bills become a lien against the premise.
- The above also indicate the authority to set rates and shut-off services.

Our Ordinances are on-line at www.pawpaw.net, click on 'Code of Ordinances' on left.

Information from the Village of Paw Paw

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