44-26

AN ORDINANCE CREATING SECTION 20-45 OF CHAPTER 20 OF THE MUNICIPAL CODE OF THE CITY OF APPLETON, RELATING TO PRIVATE LEAD SERVICE LINE REPLACEMENT FINANCING AND SPECIAL CHARGES.

(Utilities Committee – 07-15-2026)

The Common Council of the City of Appleton does ordain as follows:

Section 1: That Section 20-45 of Chapter 20 of the Municipal Code of the City of Appleton, relating to private lead service line replacement financing and special charges, is hereby created to read as follows:

Sec. 20-45. Private lead service line replacement financing and special charges; purpose and authority.

(a) ***Purpose and authority***. The Common Council finds that the replacement of public and private lead service lines protects public health, reduces exposure to lead in drinking water, and promotes the general welfare of City residents.

The purpose of this section is to establish a financing mechanism for private lead service line replacement projects utilizing funding made available through the Wisconsin Safe Drinking Water Loan Program (SDWLP), Bipartisan Infrastructure Law (BIL) funding, and other local, state, or federal funding sources that may be made available by the City, and to authorize the recovery of eligible private-side replacement costs through special charges pursuant to Wis. Stat. § 66.0627.

(b) ***Definitions***. The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Annual installment means the portion of the private lead service line replacement loan amount due during a particular year under the loan agreement.

Borrower means a property owner who enters into a private lead service line replacement loan agreement with the City.

City means the City of Appleton.

Lead Service Line or LSL means a water service line constructed of lead or galvanized material that is or was downstream of lead.

Loan agreement means a written agreement between the borrower and the City establishing the terms and conditions for financing a private lead service line replacement.

Loan amount means the amount financed by the City for private lead service line replacement work, including principal, accrued interest, administrative fees, recording fees, contractor costs, and other applicable charges.

Private lead service line means the customer-side water service line, as defined in Wis. Stat. § 196.372(1)(a), constructed of lead or galvanized material that is or was downstream of lead.

Private lead service line replacement loan means financing provided by the City to a borrower for the replacement of a private lead service line.

Special charge means a charge imposed pursuant to Wis. Stat. § 66.0627 and placed upon the property tax roll as a lien against the benefited property.

Subject property means the parcel upon which the private lead service line replacement is completed and financed through this program.

(c) ***Program eligibility and application.***

(1) Property owners identified by the City as eligible participants in the lead service line replacement program may be invited to apply for financing under this section.

(2) Applications shall be submitted in a form prescribed by the City and shall include all information required by the Department of Public Works, Utilities Department, or Finance Department.

(3) Approval of financing applications shall be subject to available funding, compliance with program requirements, and execution of a loan agreement.

(4) Participation in the financing program shall be voluntary unless otherwise required by City ordinance or state or federal law.

(d) ***Loan agreement.*** The City and borrower shall execute a loan agreement prior to disbursement of funds. The loan agreement shall, at a minimum:

(1) Identify the subject property and borrower;

(2) Specify the total loan amount;

(3) Specify the applicable interest rate;

(4) Specify the repayment schedule and installment structure;

(5) Inform the borrower that the loan amount shall constitute a special charge and lien against the subject property pursuant to Wis. Stat. § 66.0627;

(6) Authorize the City to place unpaid amounts on the property tax roll as a special charge;

(7) State that the special charge shall run with the property until paid in full; and

(8) Include any additional provisions deemed necessary by the City Attorney, Finance Director, or Utilities Department.

(e) ***Repayment terms and special charge structure.***

(1) The costs financed under this section shall be imposed as a special charge against the subject property pursuant to Wis. Stat. § 66.0627.

(2) Repayment of special charges shall be made in accordance with the City of Appleton Special Assessment Policy, as may be amended from time to time, including applicable provisions relating to installment payments, interest rates, combination of assessments, prepayment, and collection procedures.

(3) Annual installments shall be placed on the property tax bill as a special charge and shall become a lien upon the property pursuant to Wis. Stat. § 66.0627.

(f) ***Collection of special charges***.

(1) Special charges imposed under this ordinance shall be collected in the same manner as property taxes.

(2) Delinquent special charges shall accrue penalties and interest in the same manner as delinquent real property taxes.

(3) The City may pursue all remedies authorized by law for collection of unpaid special charges, including tax foreclosure proceedings.

(g) ***Segregated fund.*** All repayments collected under this program shall be deposited into a segregated fund and used solely for purposes authorized under the City's lead service line replacement financing program and applicable state or federal funding requirements.

(h) ***Administrative fees***. The City may establish and collect reasonable administrative fees associated with processing, administering, servicing, or recording private lead service line replacement loans. Such fees may be included in the financed amount.

(i) ***Records.*** The City shall maintain records of all loan agreements, special charges, installment payments, and outstanding balances associated with the program.

(j) ***Severability***. If any provision of this ordinance is found invalid or unconstitutional, such finding shall not affect the validity of the remaining provisions.

(k) ***Effective date***. This ordinance shall take effect upon passage and publication as provided by law.

Section 2: This ordinance shall be in full force and effect from and after its passage and publication.