

# WITNESS INFORMATION FORM

Please complete the Witness Information Form before testifying:

Date: June 26, 2023

Name: Gino Monaco

Are you representing: Yourself  Organization

Organization (If Applicable): Ottawa County Sanitary Engineering Department

Position/Title: Administrator

Address: 315 Madison Street, Room 105

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Do you wish to be added to the committee notice email distribution list? Yes  No

Business before the committee

Legislation (Bill/Resolution Number): HB 93

Specific Issue: Regards limits on recovery and lien imposition by municipalities

Are you testifying as a: Proponent  Opponent  Interested Party

Will you have a written statement, visual aids, or other material to distribute? Yes  No

(If yes, please send an electronic version of the documents, if possible, to the Chair's office prior to committee. You may also submit hard copies to the Chair's staff prior to committee.)

How much time will your testimony require? 5-6 minutes to read - Testimony shall only be submitted in writing.

Please provide a brief statement on your position: Municipalities should be able to continue liening delinquent property owners for unpaid water and sewer bills pursuant to existing statutes.

*Please be advised that this form and any materials (written or otherwise) submitted or presented to this committee are records that may be requested by the public and may be published online.*

**OTTAWA COUNTY**  
**SANITARY ENGINEERING DEPARTMENT**

315 Madison Street, Room 105  
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Port Clinton, Ohio 43452

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**JUNE 26, 2023**

**STATE AND LOCAL GOVERNMENT COMMITTEE**

**OPPONENT TESTIMONY TO OHIO HOUSE BILL 93**

Chairman John, Vice Chair Dean, Ranking Member Brennan and Members of the State and Local Government Committee, thank you for the opportunity to comment in opposition of Ohio House Bill 93 which aims to create municipal limitations to the well-established practice of certifying water and sewer delinquencies to a property owner's tax bill. This practice has been utilized throughout the entire country, including the State of Ohio, for decades. The exact procedures may vary slightly in each state or jurisdiction, but the bottom line is that certifying delinquent water and sewer bills to a property owner's tax bill is a well-established, cost-effective practice.

**OHIO HOUSE BILL 93 AS ORIGINALLY INTRODUCED AND AMENDED REPRESENTS POOR PUBLIC POLICY.**

**Let's start with uniformity.** Local government water and sanitary sewer service providers including municipalities, counties, and 6119 districts should all have the same legal authority relating to the certification of liens for unpaid water and sewer bills. Maintaining different lien procedures in municipalities, counties and 6119 districts makes no sense. If a property owner or tenant does not pay their water or sewer bill, the delinquencies should, at some point based upon the local service provider's clearly written collections policy, be able to be certified to the property owner's tax bill (regardless of where they live). The certification of liens against a property owner for the nonpayment of water and sewer bills is the most cost-efficient method for a local government service provider to systematically collect delinquencies. Chasing tenants and utilizing collection agencies is not cost effective.

**Landlords are property owners that rent space for commercial, industrial, government or residential occupancy.** They are private enterprises that are represented by special interest lobbyists and associations that for decades in Ohio have strived to transfer the risk of a landlord's operation to local water and sewer service providers. Landlords are profit seeking entrepreneurs that are capable of minimizing the risk of their operation through lease agreements that involve various terms and conditions including deposit requirements and language that should establish that nonpayment of utilities is a violation of their lease agreement and therefore subject to eviction. Landlords are able to rent their property out to anyone they wish, and for any amount they choose pursuant to market limitations (unless they are involved in subsidized housing). As long as the terms and conditions of a lease agreement do not violate federal or state statutes, a landlord has the ability to manage the risk of their operation through their lease.

**Water and Sanitary Sewer Utilities are already required to maintain written collection policies that spell out the billing and collections process.** Typically, water and sewer payments are due monthly or quarterly from customers. When payments are late, a penalty is typically added to the customer's bill to incentivize payments being tendered in a timely manner. Whether or not a home or structure is owner occupied or rented out for profit should not have any bearing on a local government service provider's ability to certify delinquencies to a property owner's tax bill. In Ottawa County, a tenant may only be billed for water and/or sewer service after the property owner/landlord signs an Indemnification Agreement agreeing to pay for any delinquencies that may occur if the tenant does not pay their water and/or sewer bill. If the property owner/landlord is not willing to sign the Indemnification Agreement, the monthly utility bill remains in the name of the property owner.

When an Indemnification Agreement is in place and a tenant becomes delinquent, a duplicate copy of the delinquent water and/or sewer bill is mailed to the property owner/landlord at no additional expense to the tenant or property owner. As a result, the property owner/landlord is made aware of any utility payment issue from the very beginning of the delinquency process. If a property owner/landlord does not want to risk dealing with the possibility of a tenant not paying their utility bill, the property owner may simply increase their rent to the tenant and pay the utility bill themselves.

**Landlords should not ever have the ability to transfer the risk of their profit seeking operation on to the local water and/or sewer service provider.** The end result of that action is that the local community customer base ends up subsidizing the rental operation of the landlord, land barons and/or local real estate mogul. This is simply not acceptable to the majority of local customers that do pay their bills on time. Especially after you consider the fact that landlords have the ability to write off losses associated with unpaid tenant utilities from their annual tax returns. Hard working, community minded water and sewer customers that pay their bills on time should not be forced to pay higher utility rates to subsidize a landlord's profit margin.

**With regard to the bill's proposal to establish a new complaint process, please recognize that water and sewer providers are already required by the state to develop a written complaint or appeals procedure for customers.** In the event that a customer is not satisfied with the final outcome of their complaint process, they may already file a complaint in their own local small claims court. The local small claims court system is the most efficient way to address problems of this nature.

**The Ottawa County Sanitary Engineering Department is in support of the Ohio Municipal League in its quest to NEGATE the passage of HB 93.** The only thing that HB 93 will accomplish is to minimize the risk of local landlords, land barons and real estate moguls by transferring that risk to the local rate payers that actually do pay their bills on time. It is time for the Ohio State Legislature to "JUST SAY NO" to transferring the risk of rental entrepreneurship onto local governments.



**Gino Monaco, Administrator  
Ottawa County Sanitary Engineering Department**

Cc: Board of Ottawa County Commissioners  
Ohio Sanitary Engineer's Association  
File