

Greater Cincinnati Water Works
Andrea Yang, Deputy Executive Director
Sub. H.B. 93 Opposition Testimony
Senate Local Government Committee
November 19, 2024

Chairperson O'Brien, Vice Chairperson Gavarone, Ranking Member DeMora and members of the Senate Local Government Committee, the City of Cincinnati is submitting this testimony in opposition to Sub. HB 93, which would limit the ability of the Greater Cincinnati Water Works (GCWW) to operate our water system efficiently and shift the costs related to private property management from landlords to the rate-paying public during a time of inflationary pressure.

Sub. HB 93 would make tenants financially responsible for paying the costs associated with municipal utility service. We understand that property owners are frustrated with utility cost liability when their tenant doesn't pay a utility bill per the lease terms. However, the landlord is far better positioned than the water utility to manage the non-payment risk through screening of tenants, setting of rent and security deposits to offset utility costs, and drafting and enforcing lease terms.

Landlords also earn the profit from leasing the property, which is made possible through having available water service. Finally, landlords can help to contain costs by repairing and replacing leaking or outdated plumbing and inefficient fixtures.

In contrast, municipal utilities do not earn a profit from the leasing arrangement and are instead funded by the many residents and businesses that use water. Utilities are not privy to whether the landlord and tenant have entered a private lease arrangement and have no knowledge or control over the lease terms including when the tenant has vacated the property, which makes it exceedingly difficult for the utility to pursue unpaid amounts from a tenant.

Sub. HB 93 would also create unfunded mandates for utilities seeking to recoup the costs for unpaid service, ultimately requiring rate increases for all utility customers. Currently, municipal utilities do not have the ability to track tenants once they have left a specific rental property to collect unpaid charges. Requiring utilities to seek repayment from tenants would entail millions of dollars in additional expense for computer software, staffing, and ensuring sensitive personal identifiers like Social Security numbers are adequately protected. This additional expense comes at a

time when utilities are already struggling with rising costs for water treatment chemicals, electricity, and natural gas necessary to provide service.

Finally, this legislation would remove much of the utility's discretion to work with the many Ohioans that are struggling to pay their utility bills. The bill encourages utilities to immediately shut off service once a bill has reached the "termination amount" because collection of any additional charges essentially would be prohibited. Currently, when an account is delinquent, GCWW provides written and phone notifications of the delinquency, offers payment plan options and referrals to utility assistance programs for the customer, and then may shut off water as a last resort if the bill is still outstanding. The bill would remove this flexibility.

We respectfully request the committee hold Sub. HB 93 and allow us to work with the sponsors on revisions to better address the concerns of landlords rather than passing this legislation that would raise costs for all customers. Thank you.