OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 92
136th General Assembly

Bill Analysis

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Version: As Passed by the House

Primary Sponsors: Reps. Johnson and McClain

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SUMMARY

- Prohibits the appropriate municipal authority from certifying a lien to the county auditor for unpaid village water, city water, or municipal sewerage service amounts, and prohibits the county auditor from placing such a lien against a property, if either of the following apply:
  - The unpaid amounts have arisen pursuant to a service contract made with a tenant;
  - The property served by the connection is not occupied by the property owner.
- Prohibits a municipal corporation from refusing or discontinuing municipal utility service (which is water, sewer, natural gas, electric, or other utility service supplied by a municipal corporation) to a landlord, present tenant, or prospective tenant at a residential premises based on municipal utility service nonpayment by a former tenant if certain conditions are met.
- Allows a municipal corporation to adopt an ordinance authorizing it to withdraw and expend any security deposit collected by the municipal corporation from any tenant for municipal utility service for the nonpayment of municipal services by the tenant.
- Prohibits a contract between a municipal corporation and a landlord from waiving any of the bill's municipal utility service provisions.

DETAILED ANALYSIS

Introduction

The Ohio Constitution allows municipal corporations to own and operate public utilities.[1] The bill makes several changes relevant to municipal public utilities, including prohibiting the placement of liens for unpaid municipal water and sewerage amounts if certain conditions are met and prohibiting municipal utility service refusals or disconnections based on a former tenant's nonpayment in certain instances.

Municipal water and sewerage liens

The bill prohibits a board of trustees of public affairs (for village water service), director of public service or other official body (for city water service), and the legislative authority of a municipal corporation (for municipal sewerage service) from certifying a lien to the county auditor for unpaid village water, city water, or municipal sewerage service amounts, and prohibits the county auditor from placing such a lien against a property, if either of the following apply:

- The unpaid amounts have arisen pursuant to a service contract made with a tenant;
- The property served by the connection is not occupied by the property owner.

Continuing law allows a board of trustees of public affairs to assess a village water rent or charge or director of public service or other city official or body authorized by charter to assess a city water rent or charge. When the villages or city water rents or charges are not paid when due, the board or city official may do either or both of the following: (1) certify them, together with penalties, to the county auditor for placement as a lien against the property served, provided the auditor also receives additional certification that the unpaid rents or charges have arisen pursuant to a service contract made directly with an owner who occupies the property served, (2) collect them by actions at law in the name of the village or city from an owner, tenant, or other person who is liable to pay the rents or charges.

Additionally, continuing law authorizes the legislative authority of a municipal corporation to establish sewerage rates or charges of rent. The sewerage charges are a lien upon the property served, and if not paid when due, are collected in the same manner as other municipal corporation taxes.

Existing law, unchanged by the bill, defines "tenant" as a person entitled under a rental agreement to the use and occupancy of residential premises to the exclusion of others.[2]

[1] Ohio Constitution Article XVIII, Section 4.

[2] R.C. 729.49, 735.29, and 743.04; R.C. 5321.01, not in the bill.

Municipal utility service

Definition

The bill defines "municipal utility service" as water, sewer, natural gas, electric, or other utility service supplied by a municipal corporation.[3]

Service disconnection due to former tenant nonpayment

The bill prohibits a municipal corporation from refusing or discontinuing municipal utility service to a landlord, present tenant, or prospective tenant at a residential premises based on municipal utility service nonpayment by a former tenant at the premises if one or both of the following are met:

- The former tenant of a residential premises contracted for municipal utility service at the residential premises with the municipal corporation;
- The municipal corporation provided municipal utility service to a residential premises with the knowledge of the former tenant's name and the period that the former tenant was provided the service.

Continuing law defines: (1) "landlord" as the owner, lessor, or sublessor of residential premises, the agent of the owner, lessor, or sublessor, or any person authorized by the owner, lessor, or sublessor to manage the premises or to receive rent from a tenant under a rental agreement, (2) "residential premises" as a dwelling unit for residential use and occupancy and the structure of which it is a part, the facilities and appurtenances in it, and the grounds, areas, and facilities for the use of tenants generally or the use of which is promised the tenant, including a dwelling unit owned or operated by a college or university, but excluding various other premises including, for example, orphanages, hospitals, prisons, jails, and similar institutions.[4]

Security deposit

Under the bill, a municipal corporation may adopt an ordinance authorizing it to withdraw and expend any security deposit collected by the municipal corporation from any tenant for municipal utility service for the nonpayment of municipal services by the tenant.[5]

Waiver by contract prohibited

Under the bill, no contract entered into between a municipal corporation and a landlord can waive any of the bill's municipal utility service provisions.[6]

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[3] R.C. 743.51(B).

[4] R.C. 743.51(A) and 743.52; R.C. 5321.01, not in the bill.

[5] R.C. 743.53.

[6] R.C. 743.54.

HISTORY

Action	Date
Introduced	02-11-25
Reported, H. Local Government	03-11-26
Passed House (67-30)	03-18-26

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