



Tim Williams, Executive Director, OMHA

Ohio Manufactured Homes Association

Proponent Testimony – SB 157

Before the Ohio Senate Public Utilities Committee

June 28, 2017

Chairman Beagle, Vice Chairman LaRose and Ranking Member Williams, thank you for the opportunity to testify in support of Senate Bill 157, sponsored by Senator Bacon. Since 1947 the Ohio Manufactured Homes Association (OMHA) has represented all segments of the manufactured housing industry including manufactured homes communities (MHC) that provide affordable housing.

We support SB 157 because of the need for a uniform standard of billing to consumers of submetered water systems. Our manufactured home community members who do submeter their water and bill the residents directly would prefer a uniform system that allows our industry to understand what is required as far as government regulation and to be able to use that uniformity to confidently and consistently address any resident issues.

Prior to the PUCO's ruling on June 21, 2017, inconsistencies and more often, no precedent ruling or regulation at all, caused both consumers and providers of submetered water service to argue without direction, devolving into threats of litigation that serve no one. Clarification of the submetering process has been needed and we applaud SB 157 for being ahead of the curve, introduced prior to the PUCO ruling.

While we support the intent of the bill, we are also seeking a necessary clarification that a manufactured home community resident is responsible for



utility lines running between the main connector of the Park and the resident's home. It is current practice here in Ohio, the same as it is for any homeowner in the state. The language could mirror the West Virginia law on this, which specifically states that maintenance and repair from the park tap to the home are the responsibility of the resident.

Further, we need clarification that when water is defined as part of the total rental obligation in the lease, that our members can evict for non-payment of the water utility bill. The majority of manufactured home communities which submeter are often billed directly by the public water provider for accounts not paid by the residents. They, in essence, get "stuck with the bill." As a landlord, our community owners should be able to cut off their losses by being able to evict if they do not receive payment for water as part of their rental obligation.

We additionally support the proposed amendments as offered by the Utility Management and Conservation Association, which are as follows:

1. Ensure that the permitted administrative fees are consistent with current practices and have a mechanism to increase over time to meet inflationary pressures; i.e., prefer competitively derived fees (and therefore, reasonable) over legislatively set fees, and where no competition, set those fees;
2. Create an enforcement mechanism that permits litigation or regulatory review, but does not encourage it by permitting communities who directly submeter water provided to residents to correct alleged violations of the law **prior** to litigation or regulatory review and under no circumstances permitting treble damages; and
3. Create a common statewide system of regulation and not permit a myriad of contradictory local government regulations of an industry.
4. Consumer-requested meter testing is usually at a remote testing lab, so it is not practical for the consumer to observe. If the consumer-resident wishes to be there when a meter is read is not challenged.



We additionally support the proposed statements offered by American Power and Light (APL) which are as follows:

1. Give property owners the option to set a fixed cost for each unit of measure that a resident uses at the beginning of their lease. This type of structure would allow the tenants to completely understand the cost of the commodity when they review and execute the lease and the updated utility disclosure form.
2. Mandate the method for which rates are established for tenants prior to entering into a lease agreement. This, along with enhanced disclosure, will allow the landlords and tenants to ensure a transparent and predicable relationship.
3. Enhanced disclosure, which would require the property owner to disclose the cost of the utility along with an average usage amount for the unit-style that the tenant is going to occupy.

Thank you, Chairman Beagle and members of the committee, for the opportunity to provide comments in support of SB 157. My members and I stand ready to discuss any of these suggestions as the bill moves forward.