



City of Akron, Ohio

DANIEL HORRIGAN, MAYOR

Opponent Testimony on Senate Bill 193 Daniel Horrigan, Mayor, City of Akron

May 16, 2022

Chairman McColley, Vice Chair Schuring, Ranking Member Williams, and members of the Senate Energy and Public Utilities Committee:

I appreciate the opportunity to submit written testimony in opposition to Senate Bill 193 and explain why this legislation would negatively impact the utility customers of the City of Akron and interfere with our ability to distribute safe, reliable and quality drinking water, sanitary sewer, and refuse disposal at an affordable rate to approximately 85,000 customers in Akron and surrounding communities. Akron is home to an over 100-year-old award-winning drinking water utility system, which includes:

- A 72 million gallon per day water treatment facility;
- over 1,200 miles of distribution pipe;
- an elaborate array of sophisticated water quality and public health and safety measures;
- multiple, pristine reservoirs; and
- thousands of acres of Akron-owned environmentally protected watershed property.

We are particularly concerned that Senate Bill 193 will (1) fail to remedy the problems described by consumers in other municipalities about losing their homes due to a delinquent water bill; (2) make it more difficult for municipalities to be paid for the provision of water; (3) interfere with municipal home rule authority under Article XVIII sections 4 and 6 of the Ohio Constitution, which specifically authorizes municipalities to own and operate its utilities.

Senate Bill 193 takes away a critical means to collect unpaid water bills by limiting a city's ability to place a lien on a property owner for a property's unpaid utilities. As noted by the bill sponsors, this is in an attempt to avoid instances where a municipal utility contracts directly with a tenant (not the owner/landlord) to provide the tenant services and later assigns a lien to the landlord/property owner who may not be informed of the tenant's unpaid city utilities. However, because the City of Akron exclusively enters into water, sewer and refuse disposal contracts with landlord/property owners, not the tenants, this situation does not occur in Akron. We send

invoices to both the landowner/owner and the tenant. Thus, the landlord/property owner is always aware of the outstanding utility bill and whether that bill is or is not being paid. Landlords are simply better positioned either to pay the bill they are contractually obligated to pay, or to recoup monies owed from their tenants.

Furthermore, testimony on Senate Bill 193 appeared to assume that water bill liens were causing customers to lose their homes. However, a lien does not result in a property being taken away from the property owner or landlord. Instead, a lien creates a requirement that the past due water bill be paid prior to transfer of ownership of the property. A lien gives the City the ability to collect on its past due water bills without the burden of instituting litigation against the landlord/property owner in each instance that a water bill is delinquent.

As written, Senate Bill 193 makes things worse for landlords/property owners who have water service debts. Instead of being able to contest their bills through a municipality's informal dispute resolution processes and easy resolution of a lien prior to property ownership changes, these landlords/property owners will need to hire legal counsel to defend a lawsuit that the City must bring to collect on its debts.

Finally, Senate Bill 193 fails to acknowledge the important work that municipalities are doing to support residents who are having difficulty paying their water bills. In Akron, the program Akron Cares offers emergency funding of up to \$500 to eligible City of Akron residents who are having difficulty paying their utility bills and are delinquent.

We are proud of the utility services provided by the City of Akron, including our award-winning drinking water system, it is impossible to provide safe, reliable and affordable services to our residents, businesses, and other customers if we cannot recover unpaid utility bills and efficiently manage our utility. As such, we oppose Senate Bill 193 as written and ask that you do not advance this bill so that we can more fully engage residents, organizations and communities who would have to face lawsuits in the event of an unpaid water bill. Surely, requiring that residents and businesses already having difficulty paying their water bills to defend lawsuits to collect on those delinquent bills will result in unintended consequences to those already suffering.

Thank you again for the opportunity to provide opponent testimony. Please feel free to reach out to me if you would like to discuss ideas and alternative options.



Daniel Horrigan
Mayor, City of Akron