Association of Ohio Metropolitan Wastewater Agencies
Frank Greenland, President
Sub. H.B. 93 Written Opponent Testimony
House State & Local Government Committee

Chairwoman John, Vice Chair Dean, Ranking Member Brennan, and Members of the Committee, thank you for the opportunity to present written testimony on behalf of the Association of Ohio Metropolitan Wastewater Agencies ("AOMWA"). My name is Frank Greenland, and I serve as President of AOMWA. AOMWA opposes Substitute House Bill 93, which, if enacted, will significantly restrict municipalities in recovering unpaid balances. Unfortunately, these unpaid costs would necessitate an increase in the costs of service for the general service population.

AOMWA is a not-for-profit trade association that represents the interests of public wastewater agencies across the state of Ohio, and AOMWA's members include the cities of Akron, Avon Lake, Bowling Green, Canton, Columbus, Dayton, Euclid, Fairfield, Hamilton, Lancaster, Lima, Marysville, Middletown, Newark, Portsmouth, Solon, Springfield, Wadsworth, and Warren. AOMWA serves more than 4 million Ohioans and successfully treats more than 320 billion gallons of wastewater each year. AOMWA and its members are concerned that the proposals in Sub. H.B. 93 would introduce significant financial challenges that would frustrate the ability of local governments to achieve this fundamental purpose. This legislation would also increase the administrative burden on utilities and require additional staff, a cost that would be passed on to the customer base. As a result, the proposal would have unintended consequences by increasing the financial strain on utilities, thereby increasing rates for all ratepayers, for a marginal benefit that would be provided to landlords, who comprise a small minority of the total service area population.[1]

The following points provide a non-exhaustive discussion regarding AOMWA's significant concerns with Sub. H.B. 93:

1. The legislation would make it more difficult for a municipal corporation to certify a lien for an amount greater than the "termination amount." *See* proposed R.C. § 701.22. "Termination amount" is defined as "the amount of rates or charges for municipal services that when unpaid results in the termination of those services under the municipality authority regulations." R.C. § 701.20(H). As a result, the legislation would create a "rebuttable presumption" that amounts exceeding the termination amount cannot be certified as a lien against the property owner. If the local regulations indicate that the termination amount is $1,000 in a given scenario, then any additional unpaid amounts could not be certified as a lien on the property unless the City can establish one of the four facts identified in proposed R.C. § 701.22(B)(1)-(4). This provision alone presents several problems, including that many local governments do not have pre-defined termination amounts identified in their regulations. Instead, the termination amounts vary, but this legislation would remove this discretion and force immediate shutoffs, disrupting utility service for many consumers—an additional unintended consequence. As with many other aspects of the legislation, this would lead to an increase in unpaid services by property owners at the expense of utilities and ratepayers.

2. The legislation would also require that municipalities investigate every complaint received in a manner that would again increase administrative requirements and trigger increased costs for the general population. *See* proposed R.C. § 701.26. All complaints would need to be resolved within 10 days, or the municipality would be required to provide updates once

[1] Although many of the bill's proponents discuss fairness considerations, the bill merely shifts responsibility for unpaid amounts to local utilities, which are in a much worse position than landlords to track the location of renters from thousands of units each month.

every five business days. This provision would apply regardless of the nature or legitimacy of the complaint, and regardless of any change in status, resulting in mandatory "busy work" that would further drive increases in costs for all ratepayers.

This requirement would be duplicative and wasteful because utilities already have their own administrative billing appeals processes. Customers may require that the utility provide a review and decision as to contested bills that can be appealed, initially to a local administrative body. The parallel process proposed in Sub. H.B. 93 would cause confusion.

Further, this language in proposed R.C. § 701.26 is not limited to billing disputes involving landlord-tenant issues. The only requirement is that the person "believes they have been improperly billed." This requirement would trigger significant expense on the part of the local government—and by extension, the public, for any billing dispute.

AOMWA understands that the purpose of this legislation is to address perceived unfairness in connection with tenants who leave landlords responsible for unpaid utility services. However, the result of this legislation would force significant increases in the costs of service that would be passed on to ratepayers. The proposed legislation would create a more inequitable result.

As a result, AOMWA and its member agencies strongly oppose Sub. H.B. 93's proposals to restrict municipalities from recovering unpaid invoices. Chairwoman John and Members of the Committee, your attention and consideration in this matter are very much appreciated.