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Bill Analysis
Legislative Service Commission

H.B. 729

123rd General Assembly
(As Introduced)

Rep. Britton

BILL SUMMARY

- Requires conservancy districts, sanitary districts, sewer districts, regional water and sewer districts, and home rule townships that provide sewerage services to pay for the tap-in or connection charges to recipients of those services who are already paying for those services.
- Makes technical corrections in the related sewerage provisions.

CONTENT AND OPERATION

Background

In general

Continuing law permits several types of entities to arrange for the provision of sewers or sewerage treatment or disposal works. These entities include conservancy districts, sanitary districts, sewer districts, regional water and sewer districts, and home rule townships. The manner in which sewer improvements and sewerage treatment or disposal works are funded depends on the type of entity providing the sewerage services. (Secs. 504.20, 6101.19, 6115.53, 6117.02, and 6119.09.)

Home rule townships

To cover the costs of acquiring, constructing, maintaining, improving, repairing, or operating a sewer improvement, a board of township trustees of a home rule township may issue general obligation bonds, for which the full faith and credit of the township must be pledged. The board also may charge, alter, and collect rents and other charges for the use of services of a sewer improvement, for the purpose of (1) paying the costs of constructing or otherwise improving a sewer improvement and (2) paying associated debt service charges on securities of the township. (Sec. 504.20(B) and (C).)

Conservancy districts

The board of directors of a conservancy district is permitted to make and enforce rules it considers necessary and advisable (1) to prescribe the manner in which ditches, sewers, pipe lines, or other works must be adjusted to or connected with the works of the district or any watercourse in the district, (2) to prescribe the manner in which the watercourses of the district may be used for sewer outlets or for disposal of water, and (3) to prohibit the discharge into the sewers of the district of any liquid or solid wastes considered to be detrimental to the works and improvements of the district. In order to carry out those works and improvements, including sewer improvements, the district is permitted to incur debts, liabilities, and obligations, to exercise the right of eminent domain and of taxation and assessment, to issue bonds, and to do all other acts necessary and proper. (Secs. 6101.08--*not in the bill*, and 6101.19(A).)

Sanitary districts

The board of directors of a sanitary district is permitted, at specified times, to levy an assessment (referred to as a "maintenance assessment") upon each tract or parcel of land and upon corporate property within the district in order to maintain, operate, and preserve the reservoirs, sewers, pumping stations, treatment and disposal works, or other improvements of the district, to strengthen, repair, and restore those improvements as needed, and to defray certain current expenses of the district (sec. 6115.53(A)).

Sewer districts

A board of county commissioners is required to fix reasonable rates for the use of sewers or sewerage treatment or disposal works owned or operated by the county, to be charged to every person, firm, or corporation whose premises are served by a connection to those facilities. If the facilities serving a sewer district instead are owned by a municipal corporation or any person, firm, or private corporation, a board of county commissioners must ratify, at the time a contract for the use of the facilities is entered, the schedule of rates that entity intends to charge. Additionally, a board of county commissioners is required to establish reasonable *charges for the privilege of connecting* to a sewer district's facilities, and no person may connect to those facilities until those connection charges have been paid or provision for their payment in installments has been made. (Sec. 6117.02(A).)

Regional water and sewer districts

A regional water and sewer district is permitted (1) to charge, alter, and collect rentals or other charges for the use or services of any water resource project, (2) to contract with one or more persons, political subdivisions, or any combination of persons and political subdivisions desiring the use and services of

the project, and (3) to fix the terms, conditions, rentals, and other charges for that use or those services (sec. 6119.09).

Changes proposed by the bill

Due to the different manners in which sewer improvements and sewerage treatment or disposal works are funded under existing law, individuals may be required to pay connection or "tap-in" charges in order to connect to those facilities, even though they already have paid or are paying at the time of the connection sewer-related assessments or other charges. The bill generally requires home rule townships, conservancy districts, sanitary districts, sewer districts, and regional water and sewer districts to pay any tap-in or connection charges to new recipients of sewer services *who already are being charged for the use of the entity's sewers or sewerage treatment or disposal works*. Payments for the tap-in or connection charges specifically must be made as follows:

- In a home rule township, by the board of township trustees to such recipients (sec. 504.20(C)(2)).
- In a conservancy district, by the board of directors pursuant to its rules, which must require it to pay the tap-in or connection charges to such recipients (sec. 6101.19(A)(5)).
- In a sanitary district, by the board of directors to such recipients (sec. 6115.53(B)).
- In a sewer district, by the board of county commissioners to such recipients (sec. 6117.02(A)(2)).
- In a regional water and sewer district, by the district to such recipients (sec. 6119.09(A)(2)).

HISTORY

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