

House Bill 2186

Sponsored by Representative HANNA; Representative FREEMAN (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits sewer utility not currently providing sewer service but proposing to provide sewer service from imposing service rates and charges above two percent of median household income in utility's service area. Makes exception for payment of bonded indebtedness incurred prior to effective date of Act.

A BILL FOR AN ACT

1
2 Relating to limitation of sewer rates.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Median household income" means the most recently available data on median**
6 **household income from the United States Census Bureau.**

7 (b) **"Residential customer" means the utility users in an individual residential unit.**

8 (c) **"Service rates and charges" means the amount charged for use of sewer service to**
9 **a residential customer.**

10 (d) **"Sewer utility" includes:**

11 (A) **A city providing or proposing to provide sewer service under ORS chapter 224.**

12 (B) **A people's utility district providing or proposing to provide sewer service organized**
13 **under ORS chapter 261.**

14 (C) **A sanitary district organized under ORS 450.005 to 450.245.**

15 (D) **A sanitary authority, or joint water and sanitary authority organized under ORS**
16 **450.600 to 450.989.**

17 (E) **A county service district providing or proposing to provide sewer service organized**
18 **under ORS 451.410 to 451.610.**

19 (2) **A sewer utility that has no sewer infrastructure and is proposing to construct sewer**
20 **infrastructure may not impose service rates and charges for residential customers to a level**
21 **greater than two percent of the median household income in the utility's service area, based**
22 **upon the median amount of water used by a residential customer in the utility's service area.**

23 (3) **A sewer utility may increase the utility's service rates and charges above the limit**
24 **set in subsection (2) of this section only if the increase is necessary to pay bonded indebt-**
25 **edness that was:**

26 (a) **Incurred by the utility prior to the effective date of this 2011 Act; or**

27 (b) **Incurred by the utility based upon a median household income that would have justi-**
28 **fied the utility's service rates and charges, but that has since decreased to a level that no**
29 **longer justifies the utility's service rates and charges.**

30 (4) **When a residential account of the sewer utility represents more than one individual**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **residential unit:**

2 **(a) The service rates and charges for a residential customer served by the account shall**
3 **be the total service rates and charges for the account divided by the number of individual**
4 **residential units served by the account.**

5 **(b) The amount of water used by a residential customer served by the account shall equal**
6 **the total amount of water used by the account divided by the number of individual residential**
7 **units served by the account.**

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