



TESTIMONY BEFORE THE HOUSE PUBLIC UTILITIES COMMITTEE

OPPONENT TESTIMONY

HB 163

BRIAN P. BARGER

May 29, 2019

Chair Callender, Vice Chair Wilkin, Ranking Member Smith, and members of the House Public Utilities Committee;

Thank you for the opportunity to write in opposition of HB 163, which would penalize a municipality for charging what the municipality calculates is a fair rate for extending and managing water and sewer services to neighboring political subdivisions.

HB 163 would allow political subdivisions to sue a municipality that they deem to be a "noncompliant municipal corporation" for charging what they would allege to be inflated water rates to extraterritorial areas. Municipalities found to be "noncompliant" by a court would have their Local Government Funds withheld, in addition to water and sewer funds withheld from the Ohio EPA, the Ohio Public Works Commission, the Ohio Water Development Authority and the Ohio Development Services Agency until the municipality can prove they are no longer "noncompliant". This legislation would be a litigator's dream come true.

It is a well-established fact that municipalities do not arbitrarily set rates for extending water and sewer services to townships. When a municipality or a political subdivision requests the infrastructure support, they agree to the municipality extending those services to the entity or renewing the existing legal contract. The municipality alone bears the cost for designing the infrastructure, building it out to the recipients and then maintaining and updating that infrastructure into the future. These projects can run into the millions of dollars, and the cost can often include current and future Ohio and US EPA mandates for system upgrades.

This legislation preempts municipal Home Rule authority, increases the cost burden on municipalities that build and maintain water infrastructure to neighboring communities and opens municipalities up to arbitrary and costly litigation.

Thank you for your consideration, and we urge your opposition to this bill. I would be happy to answer any questions you may have.