

1 AN ACT relating to sewer charges imposed by sanitation districts.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 220.510 is amended to read as follows:

4 (1) **Subject to the requirements of subsection (3) of this section,** the board of directors
5 shall, by resolution, determine the rates and compensation or rentals to be charged
6 for the use of the sanitary works. The board of directors may provide for a sewer
7 service charge to be imposed and collected, beginning at the time the plan for the
8 improvement has been approved by the Energy and Environment Cabinet and work
9 is begun on plans and specifications for the improvement. The rates shall at all
10 times be reasonable, taking into account the cost of the works, the cost of operation
11 and maintenance, and the amount necessary for the amortization of the bonds issued
12 to finance the works. The same schedule of rates and charges shall apply to all users
13 of the same class. The rates shall be binding upon all users of the system. The board
14 may alter and revise the rates in its discretion. In case of failure of any user to pay
15 for services rendered, the board may compel payment and may enjoin further use
16 until the payment is made, or it may institute an action in any court having
17 jurisdiction for the recovery of charges for services rendered, or the board may, by a
18 notice in writing, signed by its chairman or any member of said board, notify the
19 municipality, or person, firm, or corporation, which furnishes water to the user's
20 premises, to shut off the water service to said user's premises, until such time as all
21 delinquent charges, plus a reasonable charge for turning off and on the water
22 service, against said user, are paid in full. Upon receipt of such notice in writing,
23 the municipality, or the person, firm, or corporation, which furnishes water to the
24 said user's premises shall immediately shut off and discontinue the water service to
25 the said user's premises. Upon full payment of such account, plus a reasonable
26 charge for turning off and on the water service, the chairman, or any member of
27 said board, shall notify the said municipality, person, firm, or corporation, which

1 furnishes water to said user, that the account is paid in full, including such
2 reasonable charge for turning off and on the water service, and that the said water
3 service can again be provided to said user's premises. The board of directors shall
4 promptly pay to such municipality, person, firm, or corporation, such fee or charge
5 collected for turning off and on such water service. The board may enter into
6 contracts with public corporations or other large users of sewer services. The board
7 may provide by resolution any provisions and stipulations it deems necessary for
8 the administration of the revenue of the district, and for the security of the
9 bondholders.

10 (2) No moneys received on account of the existence or operation of construction
11 subdistricts shall be used for the payment of district obligations, and no other
12 moneys received by the district shall be used for the payment of construction
13 subdistrict bonds or obligations. Except as provided in the preceding sentence, the
14 use of all moneys of the district received from any and all sources is hereby limited
15 exclusively and shall be devoted solely to the payment of all obligations of the
16 district and board created by KRS 220.010 to 220.540, and no funds from any
17 sources authorized by KRS 220.010 to 220.540 shall be diverted to any other
18 purposes than those in KRS 220.010 to 220.540 set forth, except that the district
19 shall pay from district area revenues an equitably allocable share of the cost of
20 constructing and operating any nondistrict area facilities to which sewage from the
21 district area is diverted in order to relieve district facilities from excessive sewage
22 and costs described in KRS 220.561 but otherwise paid for.

23 **(3) Notwithstanding any other provisions of this chapter to the contrary, no**
24 **sanitation district shall charge any fee, tax, surcharge, or other charge to a**
25 **property owner or other responsible party for the provision of service, unless:**
26 **(a) The property that is subject to the fee, tax, surcharge, or other charge is**
27 **connected to the sanitary sewer system owned or maintained by the**

1 sanitation district or there is an infrastructure plan approved by the Energy
2 and Environment Cabinet that clearly states that the property is to be
3 connected to the sanitary sewer system in less than two (2) years;

4 (b) The property subject to the fee, tax, surcharge, or other charge discharges
5 to an improvement or facility in the district sanitary sewer system that is:

6 1. Located no more than one (1) mile from the property boundary closest
7 to the improvement or facility;

8 2. Constructed for the treatment of storm water and sanitary sewerage;
9 and

10 3. Owned or used by the district for the treatment of storm water and
11 provision of sanitary sewer services;

12 (c) Stormwater runoff from the property is controlled by an improvement or
13 facility in the district's sanitary sewer system constructed for the treatment
14 of stormwater; or

15 (d) The person or responsible party paying for the fee, tax, surcharge or other
16 charge has agreed in writing to pay applicable sewer or stormwater fees,
17 taxes, surcharges, or other charges.

18 ➔Section 2. KRS 220.515 is amended to read as follows:

19 Subject to the requirements in subsection (3) of Section 1 of this Act, the district may
20 establish a surcharge or other rate, fee, or charge to be made applicable to users in areas
21 where facilities are to be acquired, constructed, or established, and to amortize part or all
22 of the costs thereof, in addition to the charge authorized by KRS 220.510. The
23 surcharges, rates, fees, or charges shall be determined on the basis of one (1) or more of
24 the factors stated in KRS 220.510, and may include, at the discretion of the district, a
25 finance charge not to exceed ten percent (10%). In carrying out any rate, fee, or charge
26 classification, the district shall follow the procedures set forth in KRS 220.593(2).

27 ➔Section 3. This Act may be cited as the Ensuring Fair Sewer Charges Act.