



ORRVILLE UTILITIES

Draft Property Owner Delinquent Utilities and Service Transfer Policy / Procedure

Overview

Orrville Public Utilities has historically had a problem with delinquent utilities collection for customers residing in rental property. A large, contributing factor to the problem is that renters have been solely responsible for utilities. Research was conducted by reviewing the ordinances of all 125 Ohio municipalities that publish their codified ordinances on the American Legal Publishing website (<http://www.amlegal.com/library/>), 77% hold the property owners responsible. (Attachment 1).

A similar survey was conducted for communities that are members of American Municipal Power (AMP) (Attachment 2). Of the 29 responses received, 23 hold property owners responsible, 5 do not and 1 was unclear. This equates to approximately 82% of the responses received have a policy that hold property owners responsible.

Orrville Utilities recognizes that the percentage of outstanding debt versus the annual amounts billed can be perceived as trivial to some; however it should not be minimized in our overall efforts to continue to maintain sustainable, reasonable rates. Furthermore, all property owners, owner occupied, rental and commercial, should be held to the same standard.

The Administration, Utility Board, and Staff have been discussing potential solutions to the problem. A draft Delinquent Utilities Policy has been prepared that proposes to continue assessing delinquent water, wastewater and sanitation accounts to property taxes annually, hold property owners responsible for all utility services, and finally to refuse service at any property until all outstanding utility services debt is paid. The draft was reviewed by the Orrville Public Utilities Board at its regularly scheduled meeting on August 28, 2017. The following is the policy recommendation.

Policy / Procedure Recommendation

The primary process by which customers' deposits are assessed and customer notification of delinquency and disconnection are made do not need significant alteration. The policy and procedure for Landlord / Property Owner Transfer Agreement, application authorizations and reinstatement of service require a formal policy for implementation and follow through.

Implementation of Policy

Procedures and Policies associated with property owner responsibility of tenant utility bills shall not apply to current utility accounts, in a tenant's name, at a rental address until such time as the current tenant moves and is replaced by another tenant. At this time the new policy adopted _____ shall take effect. Throughout this document the term "tenant" is applicable to commercial building tenants, multi-family or single family residential rental property tenants.

Customers who have established service after the policy adoption date of _____ will cause formal implementation of this policy. When service has commenced after the policy date the property owner will be responsible for the payment of any and all charges billed for electricity, water, sewer and sanitation service used at his, her or their property.

New Account Set Up

1. New property owners, of owner occupied residences, will require at least one property owner to complete a Utility Service Application in person at the Utility Billing Office to establish service.

2. Rental properties will require at least one tenant complete a Utility Service Application in person at the Utility Billing office. Tenant must provide a current Rental Agreement to ensure the property owner has authorized said Tenant to establish utility service. Occupants of rental properties will also be required to authorize disclosure of their account status, at any time, to the property owner.
3. A deposit for service will be determined based on the customer's personal credit history or business credit history (for commercial properties) which is obtained by using a third party provider. Any customer, whose account has been written off for non-payment or paid by a property owner in the past, will pay the deposit established for the highest credit risk. Said deposit will remain on the account until the account closes.
4. Following completion of a Utility Service Application utility service will be established the next business day following payment of all fees and deposits.

Delinquency and Disconnection Procedures

1. If a rental or commercial property owner has completed the Landlord / Property Owner Transfer Agreement (Attachment 3) the rental / commercial property owner will be notified, by email, when a tenant account reaches delinquent status. In the case of owner occupied properties the occupant whom established service will be notified once their account reaches delinquent status.
2. After a disconnection notice is issued, payment must be made in accordance with the date stated on the notice to avoid disruption of service. Property owners may contact Orrville Utilities to inquire the status of tenant(s) utility accounts.
3. If disconnection of utility services for non-payment or cancellation of service requires access to the inside of a property the property owner will grant access. Failure to provide access will result in future billings for the property reverting to the property owner along with all current and past due charges.
4. If services are disconnected for any reason, any unpaid utility charges and fees must be paid in full before any utility services are restored.
5. Once services have been disconnected for any reason, and the account is not brought current within 90 days any outstanding water, wastewater and sanitation balances, including any penalties, will be assessed to the property taxes along with a 10% assessment fee through the process described by the Wayne County Auditor.
6. Any electric amounts unpaid will be sent to a third party collection agency. A penalty of 35% will be added to any accounts sent to collection to fully recover electric service charges.
7. In all instances of disconnection no utility services will be restored until the delinquent amounts for electric, water, wastewater and sanitation are paid in full.
8. Delinquent amounts incurred by tenants **prior to the implementation of this policy** shall stay with the tenant and shall not be considered for property assessment or collection agency action.

Ownership of Property Transfers to Realtor or Financial Institution (repossession)

If ownership or stewardship of a property with an unpaid utility account transfers to either a realty company (temporary) or to a financial institution (as in the case of property repossession), said utilities will not be commenced in the name of final purchaser until all amounts owed for all utility services are paid in full.

Landlord-Tenant Relationships

It is the property owner's responsibility to ensure the tenant has transferred service into their name, prior to allowing the

tenant access to the rental unit. Orrville Utilities may not be used as a tool for property owners to disconnect services for tenants who have already taken up residence at a property and not taken the necessary steps to transfer the utility services.

How Orrville Utilities Can Help

There are several things Orrville Utilities can do to help property owners keep informed about delinquencies at their property or properties.

Orrville Utilities can immediately notify a property owner, by email, if a property they own has become delinquent when a fully executed Landlord Property Owner Transfer Agreement is on file with Orrville Utilities.

Orrville Utilities offers a budget payment plan for utility services. Customers may work with Utility Billing Staff to determine their yearly average for utility service. A flat monthly rate will then be determined and agreed upon by the customer. Utility Billing Staff will then bill the same flat monthly rate to that customer each month. In June the balance is then reconciled of any differences (over/under). ACH payments are required when using the budget payment plan.

Orrville Utilities can provide property owners with information on utility usage at a particular piece of property for the past three years. While individual habits do vary, this should give property owners an idea of what type and amounts of usage have been at that property in the past so they may establish security deposits or rent accordingly.

The property owner can check on the status of an account they own at any time.

ATTACHMENT 1

PROPERTY OWNER RESPONSIBILITY RESEARCH

*DATA COLLECTED FROM ALL MUNICIPALITIES WITH ORDINANCES ONLINE AT AMERICAN LEGAL PUBLISHING

MUNICIPALITY	ORDINANCE	DATE PASSED		
OAK HARBOR, VILLAGE OF	50.005	1985	60	HOLD PROPERTY OWNER RESPONSIBLE
CHEVIOT, CITY OF	50.03	2012	46	HAVE NO UTILITIES
NEW BREMEN, VILLAGE OF	50.06	1996	18	UNDEFINED/NO SPECIFIC LANGUAGE
CAMBRIDGE, CITY OF	50.065	1990	1	BAD LINK
BOWLING GREEN, CITY OF	50.18	1979		125 TOTAL
MARBLEHEAD, VILLAGE OF	50.18	2006	60	HOLD PROPERTY OWNER RESPONSIBLE
HILLSBORO, CITY OF	50.27	1996	18	UNDEFINED/NO SPECIFIC LANGUAGE
KELLEYS ISLAND, VILLAGE OF	50.53	1974	78	TOTAL
BELLVILLE, VILLAGE OF	51.042	2010		
ANNA, VILLAGE OF	51.07	1993		
GLENDALE, VILLAGE OF	51.19	1999		
ARCHBOLD, VILLAGE OF	51.37	2000		
DUBLIN, CITY	51.65	1997		
INDIAN HILL, VILLAGE OF	51.67	1949		
DALTON, VILLAGE OF	53.01	1964		
BATAVIA, VILLAGE OF	53.03	1997		
AMBERLEY, VILLAGE OF	54.38	2003		
CLEVELAND, CITY OF	535.15	2011		
MOUNT GILEAD, VILLAGE OF	911.04	2001		
FRANKLIN, CITY OF	911.1	1984		
SIDNEY, CITY OF	911.13	2000		
BROOK PARK, CITY OF	919.07	1961		
WILLOWICK, CITY OF	921.09	1960		
EUCLID, CITY OF	922.03	2000		
HICKSVILLE, CITY OF	925.02	1998		
LISBON, VILLAGE OF	925.09	1997		
WESTERVILLE, CITY OF	931.02	1981		
CANAL FULTON, CITY OF	933.18	1981		
ELYRIA, CITY OF	937.17	1986		
MASON, CITY OF	941.1	1990		
GROVE CITY, CITY OF	953.03	1976		
CARLISLE, VILLAGE OF	1034.08	2010		
GREENWICH, VILLAGE OF	1040.01	1981		
AVON, CITY OF	1040.02	1997		
XENIA, CITY OF	1040.04	1984		
GENEVA, CITY OF	1040.06	2004		
LOCKLAND, VILLAGE OF	1040.06	1988		
MIDDLETOWN, CITY OF	1040.06	1953		
MONROE, CITY OF	1040.06	NO DATE		
COLDWATER, VILLAGE OF	1040.07	1998		
ENGLEWOOD, CITY OF	1040.07	1971		
GRAFTON, VILLAGE OF	1040.07	2004		
TRENTON, CITY OF	1040.18	1987		
WAPAKONETA, CITY OF	1042.07	1980		
VANDALIA, CITY OF	1042.13	1984		
TIMBERLAKE, VILLAGE OF	1042.18	1964		
BROADVIEW HEIGHTS, CITY OF	1043.07	2008		
BARBERTON, CITY OF	1044.04	2007		
IRONTON, CITY OF	1044.1	1986		
SOLOON, CITY OF	1046.09	1980		
LONDON, CITY OF	1048.07	1976		
NEWARK, CITY OF	1048.14	2013		
WEST ALEXANDRIA, VILLAGE	1054.02	1992		
PICKERINGTON, CITY OF	1060.03	2000		
NEW CARLISLE, CITY OF	1040.16 (K)	2008		
HUDSON, CITY OF	1050.02 (D)	1996		
LOGAN, CITY OF	50.10 (D)	1983		
TIPP CITY, CITY OF	51.15 (F)	1974		
WILLARD, CITY OF	923.08 (M)	1999		

Please note that some ordinance citations may be incorrect. A search of codified ordinances for the municipality will be required to find the ordinance number.

WAYNESVILLE, VILLAGE OF
WESTFIELD CENTER, VILLAGE OF

UNDEFINED
UNDEFINED

ATTACHMENT 2

American Municipal Power Members

Municipality	Landlord Responsible for Unpaid Utilities
Bowling Green, OH	Yes
Brewster, OH	Yes
Bryan, OH	Yes
Cleveland, OH	Yes
Columbus, OH	No
Danville, VA	No
Ellwood City, PA	Yes
Ephrata, PA	Yes
Girard, PA	Yes
Hudson, OH	Yes
Lehighton, PA	Yes
Minster, OH	No
Napoleon, OH	No
New Bremen, OH	Yes
Oak Harbor, OH	Yes
Oberlin, OH	Yes
Ohio City, OH	Yes
Perkasie, PA	Yes
Painesville, OH	No
Seville, OH	Yes
Tipp City, OH	Yes
Toledo, OH	Yes
Wapakoneta, OH	Yes
Waynesfield, OH	Yes
West Milton, OH	Yes
Westerville, OH	Yes
Zelienople, PA	Yes