

HOUSE BILL No. 1294

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2-125.

Synopsis: Not-for-profit sewer utilities. Provides that the exemption from mandatory connection to a not-for-profit sewer utility's sewer system for property owners if the source of the waste is more than 500 feet from the point of connection to the system, does not apply if the source of the waste is located within the watershed of a public reservoir that: (1) consists of at least 1,000 surface acres of water; and (2) provides water based public recreation.

Effective: Upon passage.

Messmer

January 12, 2011, read first time and referred to Committee on Environmental Affairs.

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First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1294



A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 8-1-2-125 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 125. (a) As used in
- 3 this section, "not-for-profit utility" means a public water or sewer utility
- 4 that:
- 5 (1) does not have shareholders;
- 6 (2) does not engage in any activities for the profit of its trustees,
- 7 directors, incorporators, or members; and
- 8 (3) is organized and conducts its affairs for purposes other than
- 9 the pecuniary gain of its trustees, directors, incorporators, or
- 10 members.
- 11 (b) A not-for-profit utility shall be required to furnish reasonably
- 12 adequate services and facilities. The charge made by any not-for-profit
- 13 utility for any service rendered or to be rendered, either directly or in
- 14 connection with the service, must be nondiscriminatory, reasonable,
- 15 and just. Each discriminatory, unjust, or unreasonable charge for the
- 16 service is prohibited and unlawful.
- 17 (c) A reasonable and just charge for water or sewer service within



1 the meaning of this section is a charge that will produce sufficient
2 revenue to pay all legal and other necessary expense incident to the
3 operation of the not-for-profit utility's system, including the following:

- 4 (1) Maintenance and repair costs.
- 5 (2) Operating charges.
- 6 (3) Interest charges on bonds or other obligations.
- 7 (4) Provision for a sinking fund for the liquidation of bonds or
- 8 other evidences of indebtedness.
- 9 (5) Provision for a debt service reserve for bonds or other
- 10 obligations in an amount not to exceed the maximum annual debt
- 11 service on the bonds or obligations.
- 12 (6) Provision of adequate funds to be used as working capital.
- 13 (7) Provision for making extensions and replacements.
- 14 (8) The payment of any taxes that may be assessed against the
- 15 not-for-profit utility or its property.

16 The charges must produce an income sufficient to maintain the
17 not-for-profit utility's property in sound physical and financial
18 condition to render adequate and efficient service. A rate too low to
19 meet these requirements is unlawful.

20 (d) Except as provided in subsection (e), a not-for-profit public
21 sewer utility may require connection to its sewer system of property
22 producing sewage or similar waste and require the discontinuance of
23 use of privies, cesspools, septic tanks, and similar structures, if:

- 24 (1) there is an available sanitary sewer within three hundred (300)
- 25 feet of the property line; and
- 26 (2) the utility has given written notice by certified mail to the
- 27 property owner at the address of the property at least ninety (90)
- 28 days before the date for connection stated in the notice.

29 (e) **Subject to subsection (f)**, a not-for-profit sewer utility may not
30 require connection to its sewer system of property producing sewage
31 or similar waste and require the discontinuance of use of privies,
32 cesspools, septic tanks, and similar structures if the source of the waste
33 is more than five hundred (500) feet from the point of connection to its
34 sewer system.

35 **(f) The exemption provided by subsection (e) does not apply if**
36 **the source of the waste is located within the watershed of a publicly**
37 **owned and operated reservoir that:**

- 38 **(1) consists of at least one thousand (1,000) surface acres of**
- 39 **water; and**
- 40 **(2) provides water based public recreation, such as swimming,**
- 41 **boating, or fishing.**

42 SECTION 2. An emergency is declared for this act.

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