

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

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

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

22 **(3) Notwithstanding any other provision of this chapter, no sanitation district shall**
23 **charge any fee, tax, or other charge to a property owner or other person for the**
24 **provision of a service unless:**

25 **(a) The property that is the basis of the charge is connected to a sanitary sewer**
26 **owned or maintained by the sanitation district;**

27 **(b) There is an approved plan by the district to connect that property to a**

1 sanitary sewer within five (5) years;

2 (c) The property that is the basis of the charge discharges stormwater to a
3 storm sewer or other stormwater improvement owned or maintained by the
4 sanitation district and the boundary of the property is within one thousand
5 (1,000) feet of the storm sewer or other stormwater improvement and within
6 the boundaries of a city under a co-permittee agreement with the sanitation
7 district. As used in this paragraph, "discharge" includes stormwater flow
8 that passes onto private or public property prior to entering an improvement
9 owned or maintained by the sanitation district;

10 (d) A storm sewer or other stormwater improvement owned or maintained by
11 the sanitation district controls stormwater that flows to the property that is
12 the basis of the charge; or

13 (e) The person has contracted with the sanitation district to provide the service.

14 (4) Any property owner or other person who is charged a fee, tax, or other charge for
15 the provision of a service pursuant to subsection (3)(b) of this section shall have a
16 cause of action against the sanitation district for a refund of those charges, with
17 interest, if the service is not provided to that property owner or other person
18 within five (5) years of the approval date of the plan.

19 ➔Section 2. This Act may be cited as the Ensuring Fair Sewer Charges Act.