

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, a sanitation district shall not  
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 the property that is the

**basis of the charge to a sanitary sewer within five (5) years;**

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

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

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