

1 H.446

2 Introduced by Representative Durfee of Shaftsbury

3 Referred to Committee on

4 Date:

5 Subject: Municipal and county government; water works; sewer;

6 extraterritorial service; rates

7 Statement of purpose of bill as introduced: This bill proposes to (1) require
8 municipal corporations to establish water and sewer service rates based on the
9 actual cost of supplying those services; (2) require municipal corporations to
10 set equal rates for all users within the service area of the water or sewer utility;
11 and (3) establish an appeal process for ratepayers and property owners who are
12 aggrieved by a disproportionate water rate or sewer charge.

13 An act relating to requiring municipal corporations to set equalized water
14 and sewer rates throughout the service area

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. 24 V.S.A. § 3311 is amended to read:

17 § 3311. RATES

18 (a) ~~Such~~ A municipal corporation may establish rates by meter service or
19 annual rents to be charged and paid at ~~such~~ the times; and in ~~such~~ the manner
20 as ~~such~~ the municipal corporation shall determine for the supply of water to the

1 inhabitants of ~~such~~ the municipal corporation and others. From time to time, it
2 may alter, modify, increase, or diminish ~~such~~ the rates and extend them to any
3 description of property or use as ~~such~~ the municipal corporation may deem
4 proper. ~~Such rates~~

5 (b) Rates or rents may be ordered to be paid in advance, and all necessary
6 orders and provision may be made and enforced by ~~such~~ the municipal
7 corporation, relating to the supply or stoppage of water, as it may deem
8 necessary to ~~insure~~ ensure the advance payments.

9 (c) A municipal corporation shall set rates based on the actual cost of
10 supplying water to the ratepayer as determined under a utility basis of
11 ratemaking. The municipal corporation shall not set a rate that exceeds the
12 actual cost of supplying water to the inhabitants of the service area.

13 (d)(1) A ratepayer may appeal any rate set by a municipal corporation
14 pursuant to this section. Within 90 days after the date that the municipal
15 corporation has set the rate, the ratepayer may initiate the appeal by petitioning
16 the Public Utility Commission for review.

17 (2) The petition for review shall be signed by not less than five percent
18 of the ratepayers. For any petition to review the rates set for extraterritorial
19 ratepayers within the service area, under subsection (c) of this section, the
20 petition shall be signed by not less than five percent of the extraterritorial
21 ratepayers affected by the rate.

1 (e) The Public Utility Commission shall hear any appeal pursuant to this
2 section de novo and shall affirm or amend the rates after reviewing the actual
3 cost of supplying water to the aggrieved ratepayers. The Public Utility
4 Commission may establish the effective date for the rates as the original
5 effective date that was proposed by the municipal corporation, may order
6 refunds or authorize a surcharge to recover lost revenues, and may authorize
7 recovery of reasonable expenses incurred by the prevailing party in the appeal
8 proceedings.

9 Sec. 2. 24 V.S.A. § 3616 is amended to read:

10 § 3616. RENTS; RATES

11 * * *

12 (d)(1) ~~Where~~ Whenever one of the bases of a rent, rate, or charge is the
13 appraised value and the premises to be appraised are tax exempt, the board
14 may cause the listers to appraise the property, including State property, for the
15 purpose of determining the rates, rents, or charges. The right of appeal from
16 the appraisal shall be the same as provided in 32 V.S.A. chapter 131. The
17 Commissioner of Finance and Management is authorized to issue warrants for
18 rates, rents, or charges against State property and transmit to the State
19 Treasurer who shall draw a voucher in payment of the rates, rents, or charges.
20 No charge so established and no tax levied under the provisions of section
21 3615 of this title shall be considered to be a part of any tax authorized to be

1 assessed by the legislative body of any municipality for general purposes but
2 shall be in addition to any such tax so authorized to be assessed.

3 (2) Whenever one of the bases of a charge is the appraised value of
4 property, the commissioners shall establish charges based on the actual cost of
5 sewer disposal as determined under a utility basis of ratemaking. The
6 municipal corporation shall not establish a charge that exceeds the actual cost
7 of supplying sewer disposal services to the inhabitants of the service area.

8 * * *

9 (g)(1) The owner of any property subject to charge established pursuant to
10 subdivision (b)(4) of this section may appeal the charge set by the
11 commissioners. Within 90 days after the date that the commissioners have set
12 the rate, the property owner may initiate the appeal by petitioning the Public
13 Utility Commission for review.

14 (2) The petition for review shall be signed by not less than five percent
15 of the property owners within the service area that are subject to the charge.
16 For any petition to review the rates set for extraterritorial ratepayers under
17 subdivision (c)(3) of this section, the petition shall be signed by not less than
18 five percent of the extraterritorial ratepayers affected by the rate.

19 (3) The Public Utility Commission shall hear any appeal brought
20 pursuant to this subsection de novo and shall affirm or amend the charges after
21 reviewing the actual cost of supplying sewer disposal services to the aggrieved

1 property owners. The Public Utility Commission may establish the effective
2 date for the charges as the original effective date that was proposed by the
3 commissioners, may order refunds or authorize a surcharge to recover lost
4 revenues, and may authorize recovery of reasonable expenses incurred by the
5 prevailing party in the appeal proceedings.

6 Sec. 3. TRANSITION; SUPERSEDED RATES AND AUTHORITY

7 The amendments contained in Sec. 1 and Sec. 2 of this act shall supersede
8 any conflicting charter provision, municipal ordinance, municipal bylaw,
9 adopted water supply rate, or adopted sewer disposal charge that takes effect
10 prior to July 1, 2025.

11 Sec. 4. EFFECTIVE DATE

12 This act shall take effect on July 1, 2025.