

CITY OF SACRAMENTO

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DEPARTMENT OF LAW
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March 21, 1985

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City Council
Law and Legislation Committee
Sacramento, California 95814

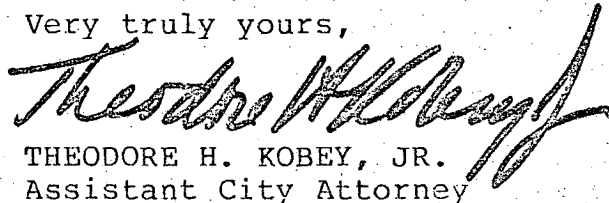
Re: A.B. 223 Relating to Public Utilities

Honorable Members in Session:

Attached are responses on Bill Referral Forms from the Public Works Department and the Finance Department (Revenue Division).

Please note that both departments strongly recommend opposing this bill.

Very truly yours,



THEODORE H. KOBAY, JR.
Assistant City Attorney

THK/jmv
Attachments

BILL REFERRAL

DATE: _____ COMMITTEE ACTION _____

TO: _____ DATE _____

FROM: THEODORE H. KOBEY, JR., Legislative Representative

REPLY NO LATER THAN:

A.B. 223 S.B. _____ Relating to

STATUS:

Please review the attached measure to determine its effect upon the City of Sacramento and complete the following questions as appropriate. During your analysis of this measure, if questions arise, please feel free to contact me at 5346. This questionnaire should be returned to me for presentation to the Council Committee on Law and Legislation. PLEASE LEAVE THE BILL ATTACHED TO THIS FORM.

PLEASE TYPE YOUR RESPONSE

1. Briefly describe the provisions of the bill. (Attach additional sheets if necessary.)

This bill would prohibit any water corporation, municipality, district, or other public agency furnishing water for residential use to a tenant to seek to recover charges or penalties for the furnishing of water to or for the tenant's residential use from the landlord or property owner without the landlord's or owner's prior written consent, and would prohibit the corporation, municipality, district, or public agency from refusing service to or otherwise penalizing any subsequent tenant because of the nonpayment of charges by a previous tenant.

2. Should this measure be: (please circle desired position)

Supported Opposed Support if Amended

Placed on Watch List Other (Explain)

3. Please explain your reasons for the above determination, including how this measure affects your Department and the fiscal impact of this measure to the City. (Your analysis will be used in communicating with the Governor and the Legislature, so please make your comments in a format that can be used in a letter to those officials.) (attach additional sheets if necessary)

Reasons for opposing bill include:

- A. Could drastically reduce funds available for the development, operation and maintenance of our water, wastewater and storm drainage systems.
- B. Might jeopardize collection of delinquent accounts outstanding, totalling thousands of dollars.

4. Specify the City's legislative policy guideline(s) applicable to this measure (if any).

Unknown

5. If this measure could be amended to either improve its favorable aspects or to minimize its adverse aspects, what amendments would you propose?

None

6. List known support or opposition to this measure by groups with which you are familiar and include addresses and phone numbers, if known. League of California Cities position:

Opposed by California Municipal Utilities Association (see attached letter)

7. Does this bill involve a State-mandated local program? If so, does the bill contain an S.B. 90 waiver, or an appropriation for allocation and disbursement to local agencies pursuant to Revenue and Taxation Code Section 2231?

The bill does not contain an SB 90 waiver.

8. Using a rating scale of 1 to 10 (with 10 as the most important) how important do you think this bill is to the City of Sacramento? 10

FORM COMPLETED BY

Reginald Young
REGINALD YOUNG

DATE:

3/20/85

also - see attached comments by CA League of Cities.

earnings), the court must, if so requested by a party in the lawsuit, enter a judgment providing for payment of the judgment in installment payments, with interest.

request city officials to review this measure and to provide comments.

AB 1256 will probably be assigned to the Assembly Judiciary Committee, and interested city officials should contact Committee members in support of the bill. Members of the Committee are: Harris, Chair; Grisham, Vice Chair; Connelly, Felando, Johnston, Mojonnier, Moorhead, Robinson, M. Waters and Wyman.

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3. Number Assigned to Tort Reform Bill Described in Last Week's Bulletin. Last week, we described a bill by Senator John Seymour relating to injuries caused by a plaintiff's failure to wear a motorcycle helmet. That bill has been introduced as SB 934.

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4. COMMENTS REQUESTED Conflicts of Interest in Redevelopment Areas. AB 1075 (R. Johnson). Current law prohibits members of a redevelopment commission (usually the members of the city council) from acquiring any property interest within a redevelopment area. AB 1075 would provide that a lease of real property is not an interest in real property for purposes of the prohibition. The sponsors are seeking authority for a council member to establish a professional office in the redevelopment area, but do not wish to create a loophole inviting corruption. They are seeking suggestions for amendments to the bill which will guarantee that the proposed exception will not lead to abuses. Please send your recommendations to the League's Sacramento office.

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5. OPPOSE Prohibition on Collection of Water Service Charges from Landlord or Property Owner. AB 223 (Peace). AB 223 would prohibit any city or other public entity furnishing water for residential use to a tenant from recovering water service charges from the landlord or property owner without the written consent of the landlord or property owner. Further, this bill would also prohibit water agencies from refusing service to a subsequent tenant because of the non-payment of water service charges by a previous tenant.

The League opposes AB 223 because it would effectively prevent the use of tax assessments and liens imposed on the benefitted property for the collection of delinquent water service charges, thereby severely hampering the ability of cities and other water agencies to obtain payment for the services provided. In addition, AB 223 would increase administrative costs associated with collection of water service charges and make it more difficult to recover such administrative costs. AB 223 has been assigned to the Assembly Water, Parks, and Wildlife Committee. The members of that committee are: Costa (Chairman), Allen (Vice Chairwoman), Areias, Campbell, Filante, Herger, Hauser, Isenberg, Katz, Kelley, Peace, Norman Waters, and Wyman.

BILL REFERRAL

DATE: _____ COMMITTEE ACTION _____

TO: _____ DATE _____

FROM: THEODORE H. KOBEY, JR., Legislative Representative

REPLY NO LATER THAN:

A.B. 273 S.B. _____ Relating to _____

STATUS:

Please review the attached measure to determine its effect upon the City of Sacramento and complete the following questions as appropriate. During your analysis of this measure, if questions arise, please feel free to contact me at 5346. This questionnaire should be returned to me for presentation to the Council Committee on Law and Legislation. PLEASE LEAVE THE BILL ATTACHED TO THIS FORM.

PLEASE TYPE YOUR RESPONSE

1. Briefly describe the provisions of the bill. (Attach additional sheets if necessary.)

This bill would prohibit any water corporation, municipality, district, or other public agency furnishing water for residential use to a tenant to seek to recover charges or penalties for the furnishing of water to or for the tenant's residential use from the landlord or property owner without the landlord's or owner's prior written consent, and would prohibit the corporation, municipality, district, or public agency from refusing service to or otherwise penalizing any subsequent tenant because of the nonpayment of charges by a previous tenant.

2. Should this measure be: (please circle desired position)

Supported Opposed Support if Amended

Placed on Watch List Other (Explain)

3. Please explain your reasons for the above determination, including how this measure affects your Department and the fiscal impact of this measure to the City. (Your analysis will be used in communicating with the Governor and the Legislature, so please make your comments in a format that can be used in a letter to those officials.) (attach additional sheets if necessary)

Reasons for opposing bill include:

- a. would require a radical change in the recently overhauled utility billing system;
- b. would require extensive changes in our collection procedures which would be quite expensive on an ongoing basis;

3. (cont.)

c. might jeopardize collection of delinquent accounts outstanding, totalling thousands of dollars

4. Specify the City's legislative policy guideline(s) applicable to this measure (if any).

Unknown

5. If this measure could be amended to either improve its favorable aspects or to minimize its adverse aspects, what amendments would you propose?

None

6. List known support or opposition to this measure by groups with which you are familiar and include addresses and phone numbers, if known. League of California Cities position:

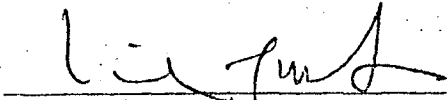
Opposed by California Municipal Utilities Association (see attached letter)

7. Does this bill involve a State-mandated local program? If so, does the bill contain an S.B. 90 waiver, or an appropriation for allocation and disbursement to local agencies pursuant to Revenue and Taxation Code Section 2231?

Bill indicates it does not. However, the extensive billing system changes should be paid by the State in the event this bill passes.

8. Using a rating scale of 1 to 10 (with 10 as the most important) how important do you think this bill is to the City of Sacramento? 10

FORM COMPLETED BY



DATE:

2/22/85

Michael L. Medema, Revenue Officer



CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION

1213-K STREET, SUITE 103 • SACRAMENTO, CALIFORNIA 95814 • (916) 441-1733

JERRY JORDAN, Executive Director

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HAROLD GUETERSON
San Francisco

Secretary
REGINA TURNEY-MURPH
Compton

Legal Counsel
CARL BORONKAY
Metropolitan Water District
Los Angeles

February 15, 1985

TO: COMMERCIAL ACTIVITIES COMMITTEE

FROM: JERRY JORDAN

SUBJECT: A.B. 223 BY ASSEMBLYMAN J. STEPHEN PEACE

BOARD OF GOVERNORS

EDWARD G. ALARIO
Anaheim

H. LES BROOKS
Modesto Irrigation District

AND CAMPILLO
San Diego

DEAN W. COFFEY
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San Francisco

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East Bay Municipal Utility District

PAUL H. LANE
Los Angeles

LARRY C. LARSON
Long Beach

KENNETH J. MELLOR
Sacramento Municipal Utility District

ROBERT MILLER
City of Fresno

Enclosed, for your review, is a copy of Assemblyman Peace's
A.B. 223.

CMUA's Legislative Committee has taken an OPPOSE position to
this bill.

/ael
Enclosure

ADVISORY COUNCIL

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Sacramento

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Los Angeles

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Los Angeles

An organization for the protection of municipally owned utilities.

C. M. U. A. members provide utility services to more than 70% of the people of California

The people of the State of California do enact as follows:

1 SECTION 1. Section 53064.5 is added to the
2 Government Code, to read:

3 53064.5. No local agency furnishing water for
4 residential use to a tenant shall, without the prior written
5 authorization of the landlord or property owner, seek to
6 recover any charges or penalties for the furnishing of
7 water to or for the tenant's residential use from the
8 landlord or property owner, nor shall the local agency
9 refuse service to or otherwise penalize any subsequent
10 tenant on account of nonpayment of charges by a
11 previous tenant.

12 SEC. 2. Section 2714 is added to the Public Utilities
13 Code, to read:

14 2714. No water corporation furnishing water for
15 residential use to a tenant shall, without the prior written
16 authorization of the landlord or property owner, seek to
17 recover any charges or penalties for the furnishing of
18 water to or for the tenant's residential use from the
19 landlord or property owner, nor shall the corporation
20 refuse service to or otherwise penalize any subsequent
21 tenant on account of nonpayment of charges by a
22 previous tenant.

23 SEC. 3. Section 10013 is added to the Public Utilities
24 Code, to read:

25 10013. No municipal corporation owning or operating
26 a public utility furnishing water for residential use to a
27 tenant shall, without the prior written authorization of
28 the landlord or property owner, seek to recover any
29 charges or penalties for the furnishing of water to or for
30 the tenant's residential use from the landlord or property
31 owner, nor shall the municipal corporation refuse service
32 to or otherwise penalize any subsequent tenant on
33 account of nonpayment of charges by a previous tenant.

34 SEC. 4. Section 12811.5 is added to the Public Utilities
35 Code, to read:

36 12811.5. No district furnishing water for residential
37 use to a tenant shall, without the prior written
38 authorization of the landlord or property owner, seek to

ASSEMBLY BILL

No. 223

Introduced by Assembly Member Peace

January 10, 1985

An act to add Section 53064.5 to the Government Code, to amend Section 16469 of, and to add Sections 2714, 10013, and 12811.5 to, the Public Utilities Code, and to add Sections 22079, 31007.5, 35482, and 71618 to the Water Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 223, as introduced, Peace. Water service: residential: charges.

Under existing law, residential water service is furnished in certain areas of the state by water corporations subject to the jurisdiction and control of the Public Utilities Commission and in other areas by municipal or other public agencies or districts subject to the control of their governing bodies or boards of directors. Charges for furnishing water are generally levied against the actual user, but in some instances may be levied against the landlord or property owner.

This bill would prohibit any water corporation, municipality, district, or other public agency furnishing water for residential use to a tenant to seek to recover charges or penalties for the furnishing of water to or for the tenant's residential use from the landlord or property owner without the landlord's or owner's prior written consent, and would prohibit the corporation, municipality, district, or public agency from refusing service to or otherwise penalizing any subsequent tenant because of the nonpayment of charges by a previous tenant.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 use to a tenant shall, without the prior written
2 authorization of the landlord or property owner, seek to
3 recover any charges or penalties for the furnishing of
4 water to or for the tenant's residential use from the
5 landlord or property owner, nor shall the district refuse
6 service to or otherwise penalize any subsequent tenant
7 on account of nonpayment of charges by a previous
8 tenant.

9 SEC. 8. Section 35482 is added to the Water Code, to
10 read:

11 35482. No district furnishing water for residential use
12 to a tenant shall, without the prior written authorization
13 of the landlord or property owner, seek to recover any
14 charges or penalties for the furnishing of water to or for
15 the tenant's residential use from the landlord or property
16 owner, nor shall the district refuse service to or otherwise
17 penalize any subsequent tenant on account of
18 nonpayment of charges by a previous tenant.

19 SEC. 9. Section 71618 is added to the Water Code, to
20 read:

21 71618. No district furnishing water for residential use
22 to a tenant shall, without the prior written authorization
23 of the landlord or property owner, seek to recover any
24 charges or penalties for the furnishing of water to or for
25 the tenant's residential use from the landlord or property
26 owner, nor shall the district refuse service to or otherwise
27 penalize any subsequent tenant on account of
28 nonpayment of charges by a previous tenant.

1 recover any charges or penalties for the furnishing of
2 water to or for the tenant's residential use from the
3 landlord or property owner, nor shall the district refuse
4 service to or otherwise penalize any subsequent tenant
5 on account of nonpayment of charges by a previous
6 tenant.

7 SEC. 5. Section 16469 of the Public Utilities Code is
8 amended to read:

9 16469. ~~Charges~~ (a) *Except as provided in subdivision*
10 *(b), charges* unpaid at the time specified for the fixing of
11 the rate of taxes may be added to and become part of the
12 annual assessment levied upon the land upon which the
13 commodity or service was used ; if the property is owned,
14 controlled, or in the possession of the same person who
15 owned, controlled, or was in possession of it during the
16 time ~~such~~ the service charges were incurred or if the only
17 transfers made of the property since the date ~~such~~ the
18 charges were incurred have been transfers by gift,
19 descent, bequest, or devise.

20 (b) *No district furnishing water for residential use to*
21 *a tenant shall, without the prior written authorization of*
22 *the landlord or property owner, seek to recover any*
23 *charges or penalties for the furnishing of water to or for*
24 *the tenant's residential use from the landlord or property*
25 *owner, nor shall the district refuse service to or otherwise*
26 *penalize any subsequent tenant on account of*
27 *nonpayment of charges by a previous tenant.*

28 SEC. 6. Section 22079 is added to the Water Code, to
29 read:

30 22079. No district furnishing water for residential use
31 to a tenant shall, without the prior written authorization
32 of the landlord or property owner, seek to recover any
33 charges or penalties for the furnishing of water to or for
34 the tenant's residential use from the landlord or property
35 owner, nor shall the district refuse service to or otherwise
36 penalize any subsequent tenant on account of
37 nonpayment of charges by a previous tenant.

38 SEC. 7. Section 31007.5 is added to the Water Code,
39 to read:

40 31007.5. No district furnishing water for residential