


**TO:** Chairman Metzgar, Chairman Freeman, and members of the House Local Government Committee

**FROM:** Jennie Shade, Director of Government Relations 

**DATE:** March 23, 2021

**SUBJECT:** Opposition to HB 957 P.N. 969

I am writing on behalf of the Pennsylvania Municipal Authorities Association (PMAA) which represents over 700 municipal authorities across the Commonwealth, the vast majority of which provide drinking water and wastewater treatment services to more than six million of its citizens.

PMAA **opposes** HB 957 P.N. 969 amending Title 53, Chapter 56 (Municipal Authorities). The bill requires multiple properties served by a single unit to be classified as commercial and billed as such unless the property owner chooses to maintain their current classification.

Allowing property owners of multiple properties served by a single meter to choose the classification/rates of which to be billed is in direct violation of the Municipality Authorities Act (Act). Under the Act, authority rates must be “reasonable and uniform.” Different rates throughout an authority system for the same type of property are not “reasonable and uniform.” By contrast, HB 957 P.N. 969 allows for preferential treatment.

In addition, rate uniformity is essential for authorities to assure bond purchasers the authority will be able to generate enough revenue to pay off the bonds. Moreover, the Act specifies that the recourse for any person challenging the authority’s rates is an action in the Court of Common Pleas. Of note, authority rates as prescribed in the Act have been upheld (see *Chicora Commons Limited Partnership, LLP v. Chicora Borough Sewer Authority*, 922 A.2d 986 (PA.Cmwlth. 2007)).

Also, in practical terms, this language may not lower the total amount billed by an authority to an owner of a multiple unit property served by a single meter. In fact, it could do the opposite as some authorities bill a higher rate for “commercial” properties than they do “residential” properties. Ultimately, this would result in a higher amount billed to the property owner, and, in turn, their customers, especially as unemployment is high and authorities work to assist customers who are struggling financially.

It is also important to note that most authority costs are generally fixed. Infrastructure, collection and distribution systems, treatment facilities as well as other operational costs including personnel, insurance, mortgages, and loans do not change from month to month. Furthermore, to comply with state and federal regulations, authorities must serve all system connections regardless of consumption, particularly as it relates to wastewater as connections cannot be shut off due to public health and safety risks.

Due to these inherent complexities and concerns, on behalf of our members, we respectfully ask that you **oppose** HB 957 P.N. 969. Thank you for your consideration.