

## AN ORDINANCE

ESTABLISHING AND ENACTING POLICY FOR UTILITY SERVICE APPLICATIONS, UTILITY SERVICE SECURITY DEPOSITS, APPLICATION OF SECURITY DEPOSITS TOWARD PAYMENT OF DELIQUENT UTILITY BILLS, AND REFUND OF SECURITY DEPOSITS.

WHEREAS, the City Council of the City of Hubbard, Ohio wishes to limit the extent of financial losses resulting from the customers' failure to pay utility bills; and

WHEREAS, the resulting losses in City income as well as continual increases in operational expenses of the Utility Departments require that such losses be eliminated and/or reduced to the farthest extent possible under Ohio law; and

WHEREAS, the City Council of the City of Hubbard, Ohio, has examined, reviewed, and determined that revisions to the utility service application and security deposit requirements as established by Ordinance Number 13-83 require update and revision to reflect the economic realities of the City's current operating environment.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Hubbard, Trumbull County, Ohio:

### SECTION 1: APPLICATION FOR UTILITY SERVICE:

1. Application for electric, and/or water, and/or sewer service must be made in writing by completing the duly adopted utility service application form as provided by the City.
2. Application must be made in person at the Utility Billing Office.
3. A valid driver's license, or other photo identification as issued by the United States government or any U.S. State government, must be provided so that a photocopy of said identification may remain as a permanent part of the application documents.
4. Upon completion of the written application the applicant's credit rating will be assessed based on the credit history obtained from one or several of the following:
  - a. By reference of City utility records;
  - b. By information obtained from credit reporting agencies;
  - c. By written statements reflecting credit experience with other utility companies.
5. The credit rating may be used in the determination of utility service security deposit requirements.
6. An application by an Applicant-Tenant must provide the full name(s) and aliases and social security number(s) of person(s) liable to the property owner for the rental/lease of said property.
7. The Applicant-Tenant should provide at the time of application written evidence (i.e. lease or rental agreement) that permission has been granted by the property owner for the Applicant-Tenant to occupy said premises.
8. Utility service will be denied to an Applicant when the following condition applies:
  - a. Applicant has an existing past due bill for utility service with the City, until said bill is paid in full. However, Applicant may be subject to the high-credit risk security deposit standards as established in Section 2.
9. Monetary amounts for utility service security deposits must be completely satisfied and paid-in-full according to the proper procedure as outline in Section 2 of this Ordinance prior to the turn-on of a service connection.

### SECTION 2: UTILITY SERVICE SECURITY DEPOSITS:

1. The City shall require the Applicant or Customer to place on deposit with the City a security deposit as established below as a guarantee of payment for utility services used whereas such amounts of cash placed on deposit as defined shall secure the City from significant financial losses resulting from the non-payment of utility bills.
2. Effective upon the passage and adoption of this Ordinance by the City Council, of the City of Hubbard, Ohio, the following utility service security deposit requirements shall be required of any and all persons renting or leasing real property of any and all type or nature that will obtain and secure electric, and/or water, and/or sewer service from the respective City of Hubbard, Ohio utility service department(s).

3. SECURITY DEPOSITS FOR UTILITY SERVICE SHALL BE AS FOLLOWS:

**Deposit Required**

**A. All commercial, industrial, and all other establishments except residential property:**

1. All commercial, industrial, and other establishments with the exception of residential property shall be subjected to utility service security deposits based on two and one-half times (2½X) the average utility bill for a similar type business during the immediately preceding twelve months. The calculation shall be as follows to determine:

Commercial Deposit = (Sum of Similar Type Business Utility Bill for January through December of immediate preceding year [where number of bills equals 12] / 12) \* 2.5

2. When actual billings for a comparable business are not available to establish the deposit for a commercial or industrial connection, the Utility Billing Office shall estimate the needed two and one-half month utility consumption and anticipated billing based on information provided by the Applicant.
3. The minimum deposits for commercial, industrial, and other establishments shall be as follows:
  - a. Requiring electric, water, and sewer; or electric and/or water, or sewer \$ 250.00
  - b. Requiring water and sewer only; or water or sewer only 100.00
  - c. Requiring electric only 150.00
4. The provisions of commercial and industrial utility security deposits as established in Sections 1 through 3 above may be waived for an account whose deposit will exceed \$1,000.00 if one or more of the following are secured:
  - a. Letter of credit from another utility indicating satisfactory business credit for the past eighteen (18) months or longer with no more than two late payments during said period. The letter establishing such credit with another utility company must be for service provided within the immediately preceding two year/twenty-four month period, or
  - b. Documentation from a credit bureau of satisfactory business credit for the past two years, or
  - c. An irrevocable letter of credit from a financial institution authorized to undertake business within the State of Ohio in the total amount of the deposit requirements.
5. Utility service security deposits are not required of property owners, said deposits are required of persons and businesses renting or leasing real property of any and all types.

**B. Residential property security deposits:**

1. All residential property, subject to the deposit requirements, shall be subjected to the following utility service security deposits:
  - a. Requiring electric, water, and sewer; or electric and/or water, or sewer (without electric heat) \$200.00
  - b. Requiring electric, water, and sewer; or electric and/or water, or sewer (with electric heat) \$250.00
  - c. Requiring electric only, without electric heat 100.00
  - d. Requiring electric only, with electric heat 150.00
  - e. Requiring water and sewer; or water or sewer only 100.00
2. The City reserves the full right and discretion to require customers with a history of past delinquency with the City, poor credit rating as evidenced by a credit report, and/or a history of bankruptcy to provide the maximum deposit for increased credit risk of three hundred fifty dollars (\$350.00).
3. Residential utility service security deposits cannot be waived for any reason.
4. Utility service security deposits are not required of property owners, said deposits are required of persons renting or leasing real property of any and all types.

SECTION 3: Utility service shall not be granted until such time that a deposit is made.

SECTION 4: All security deposits shall remain with the City until the termination of said utility service with neither express nor imputed payment of interest on said deposits as retained.

SECTION 5: APPLICATION OF DEPOSIT TO DELINQUENT UTILITY BILLS:

1. In the event that a utility account becomes delinquent, the deposit or deposits above may be applied against the account and the service shall be disconnected.
2. In the case of disconnection, service will not be reestablished until a new deposit is posted and the account is paid in full.
3. Should the deposit in part exceed the delinquency outstanding against all utility charges then due, and then the remaining balance of the deposit is to be refunded to the tenant.
4. Utility service will not be reestablished until such time as a new deposit is posted and the account balance is paid in full.

SECTION 6: REFUND OF DEPOSIT UPON SERVICE TERMINATION:

1. When a residential or commercial/industrial tenant intend to vacate a property where utility service has been established, it is the tenant's responsibility to notify the Utility Billing Office of the need for a final meter reading and final bill.
2. Upon notice of utility service termination, a final meter reading shall establish all charges for service then due.
3. The amount of the final utility bill will be deducted from the security deposit on reserve, to the extent of utility bill due, and any remaining deposit will be returned to the tenant.
4. Any and all charges on the final bill that exceed the deposit on reserve shall be the responsibility of the tenant for payment.
5. Upon cancellation and termination of said service, the utility bill and responsibility for payment of further service charges beyond the final bill shall automatically revert to the property owner.

SECTION 7: The right to the deposit may not be assigned or delivered to any other person, and the right of refund is limited to the person making the deposit or to his or her heirs or fiduciaries.

SECTION 8: Nothing in this Ordinance is to be construed as restricting service disconnection for non-payment of any account or accounts.

SECTION 9: All prior Ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

SECTION 10: All formal actions of the City Council of Hubbard, Ohio relating to the adoption of this Ordinance, and all deliberations of the City Council of Hubbard, Ohio and any of its committees leading to such action, were in meeting open to the public as required by law.

PASSED IN COUNCIL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2003.

\_\_\_\_\_  
PRESIDENT OF COUNCIL

ATTEST:

\_\_\_\_\_  
CLERK OF COUNCIL

APPROVED:

\_\_\_\_\_  
MAYOR

APPROVAL DATE: \_\_\_\_\_

FIRST READING: \_\_\_\_\_

SECOND READING: \_\_\_\_\_

THIRD READING: \_\_\_\_\_

I hereby certify that the foregoing Ordinance was published in the Youngstown Vindicator on the dates hereinbelow set forth and was posted at the Hubbard City Municipal Building, the Hubbard Police Department, the Hubbard Public Library, and Patton's Hubbard IGA Market, on the day hereinbelow set forth.

DATES OF PUBLICATION:

POSTED:

\_\_\_\_\_ day of \_\_\_\_\_, 2003

\_\_\_\_\_ day of \_\_\_\_\_, 2003

\_\_\_\_\_ day of \_\_\_\_\_, 2003

\_\_\_\_\_ day of \_\_\_\_\_, 2003