

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 HOUSE BILL 3397

By: McEntire and **Phillips**

7 AS INTRODUCED

8 An Act relating to municipal utility oversight;
9 enacting the Municipal Utilities Oversight Act;
10 defining terms; requiring municipalities to establish
11 municipal utility review board; providing for
12 membership of board; prescribing jurisdiction of
13 municipal utility review board; requiring certain
14 billing summary with respect to utility services;
15 prescribing format; imposing requirements related to
16 meters; prohibiting estimated readings; providing
17 exceptions; providing for testing of meters based on
18 upon variance in billing amount; providing for notice
19 procedures prior to testing; providing for effect of
20 request for meter testing with respect to utility
21 bill amount; providing for complaints with municipal
22 utility review board; requiring opportunity for
23 presentation of evidence; providing for payment of
24 certain computed average utility bill amount;
prohibiting termination of utility service pending
certain proceedings; providing for final order of
municipal utility review boards; providing for
presentation to governing body of municipality;
providing for final determination; providing for
codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 35-110.1 of Title 11, unless
3 there is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "Municipal
5 Utilities Oversight Act".

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 35-110.2 of Title 11, unless
8 there is created a duplication in numbering, reads as follows:

9 As used in this act:

10 1. "Municipal utility" includes any city or town, public trust
11 organized pursuant to the provisions of Section 176 of Title 60 of
12 the Oklahoma Statutes or other unit of local government that
13 provides water, natural gas, electric power, or similar service to
14 its residents, but shall not include any public service corporation
15 or any publicly regulated utility; and

16 2. "Public service corporation" means an entity subject to the
17 regulatory jurisdiction of the Oklahoma Corporation Commission and
18 which has its customer rates determined pursuant to the provisions
19 of Article IX of the Oklahoma Constitution, the provisions of Title
20 17 of the Oklahoma Statutes or other provisions applicable to a
21 publicly owned utility provider.

22 SECTION 3. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 35-110.3 of Title 11, unless
24 there is created a duplication in numbering, reads as follows:

1 A. Each municipal entity providing a utility service to its
2 residents shall establish a municipal utility review board as part
3 of its local government structure.

4 B. The utility review board shall consist of five (5) persons
5 to be appointed or selected as follows:

6 1. One person to be appointed by the governing board of the
7 municipality shall be a municipal official who cannot be employed as
8 the municipal attorney or be affiliated with a law firm, in any
9 capacity, that provides legal services or advice to the municipal
10 utility or to the municipality;

11 2. One person to be appointed by the district judge of the
12 judicial district within which the municipal service area is located
13 who is a licensed plumber who is authorized to render professional
14 services in the service area of the municipality;

15 3. One person to be appointed by the district judge of the
16 judicial district within which the municipal service area is located
17 who is a licensed electrician who is authorized to render
18 professional services in the service area of the municipality; and

19 4. Two additional persons to be appointed by the district judge
20 of the judicial district within which the municipal service area is
21 located who are residents of the municipality or the service area
22 within which the utility services are provided.

23 C. The utility review board shall have jurisdiction to receive
24 complaints filed by residents of the municipality or persons served

1 by the municipal utility if not a resident within the geographic
2 boundary of the municipality regarding the service provided by the
3 municipality.

4 SECTION 4. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 35-110.4 of Title 11, unless
6 there is created a duplication in numbering, reads as follows:

7 A. Each municipal utility shall provide its customers or make
8 available to its customers upon request a thirteen-month billing
9 summary which shows the quantity of water, natural gas, electric
10 power, or other commodity provided to the customer.

11 B. Municipal utility bills shall indicate in a clear line-item
12 format whether the quantity provided to the customer for the
13 applicable period was based on a meter reading, whether the meter
14 was visually inspected or whether the reading was taken by remote or
15 electronic means, or whether the reading is an estimated amount.

16 C. No municipal utility shall use an estimated method to
17 compute a utility bill for more than three billing periods per year
18 unless the estimate was required due to weather conditions that made
19 actual meter reading impossible, a disruption of the technology
20 which is used to gather information from a meter or an emergency
21 condition affecting the ability of the municipal utility to obtain
22 accurate information in order to prepare a utility bill.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 35-110.5 of Title 11, unless
3 there is created a duplication in numbering, reads as follows:

4 A. If any meter reading increases for a month by twenty percent
5 (20%) or more compared to the same month of the preceding year, upon
6 the request of a customer, a municipal utility shall conduct a test
7 of the meter used by the utility to measure the quantity of water,
8 natural gas, electric power, or other commodity provided to a
9 utility customer.

10 B. The customer shall provide notice of a request for a meter
11 test in writing or on such form as may be prescribed by the
12 municipal utility for that purpose. The test shall be conducted
13 within thirty (30) days of the date of the notice or demand is filed
14 with the municipal utility.

15 C. A request for a meter test shall not relieve a utility
16 customer of the obligation to make payment of all billed amounts,
17 including any late charges.

18 D. If a municipal utility refuses or neglects to test a meter
19 as required by this section, the customer may file a complaint with
20 the municipal utility review board.

21 SECTION 6. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 35-110.6 of Title 11, unless
23 there is created a duplication in numbering, reads as follows:

1 A. The municipal utility review board created pursuant to
2 Section 3 of this act shall allow a utility customer an opportunity
3 to present evidence regarding errors or discrepancies in a utility
4 bill. The municipal utility shall be allowed to respond to the
5 information presented. During the pendency of a matter before the
6 municipal utility review board, the utility customer may pay the
7 average amount of the charges during the preceding year or an
8 annualized average amount if the customer has had service for less
9 than twelve (12) months and the service shall not be cut off during
10 the pendency of the proceedings before either the municipal utility
11 review board or the proceedings before the governing body. If the
12 municipal utility review board finds in favor of the utility
13 customer, the final order of the board shall conclude the matter and
14 there shall be no right of appeal to any other unit of municipal
15 government or to the district court.

16 B. If the municipal utility review board finds in favor of the
17 municipality or municipal utility, the utility customer may make a
18 presentation to the governing body of the municipality at the next
19 ensuing public meeting of the governing board consistent with the
20 requirements of the Oklahoma Open Meeting Act. The municipality and
21 the utility customer shall be allowed equal time to make their
22 respective presentations to the governing body and after the
23 governing body enters its decision, whether taking the case under
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1 advisement or not, the matter shall be concluded and neither party
2 shall have any further right of appeal.

3 SECTION 7. This act shall become effective November 1, 2020.
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5 COMMITTEE REPORT BY: COMMITTEE ON COUNTY AND MUNICIPAL GOVERNMENT,
6 dated 02/20/2020 - DO PASS, As Coauthored.
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