

SUMMARY OF NO. 11-10

This proposed law would impose a 2.5% cap, subject to voter override, on any annual increases in water and sewer rates charged to users by Massachusetts cities, towns and municipal corporations, such as water and sewer districts and commissions, engaged in the distribution and sale of water or the furnishing of sewer service.

The affected municipalities could override the cap and implement rates higher than a 2.5% increase by a two-thirds majority vote at a regularly scheduled municipal or state election. Rate increases in excess of 2.5% could not take effect until such an election was held, and the current year's rates would remain in effect in the meantime.

The proposed law would require cities, towns, municipal corporations and sewer districts to file schedules annually with the state Department of Public Utilities, showing current water and/or sewer rates, proposed new rates, if any, and any percentage increase or decrease. The existing requirement that water districts file rate schedules with the Department would be expanded to require these same details.

The proposed law would require that the rate schedules be filed with the Department approximately six months before the beginning of the fiscal year in which the rates would take effect, and that the new rates be published in a newspaper of

general circulation at least six months before an override election.

The Department would review the rate schedules of cities, towns and other municipal corporations, such as water and sewer districts and commissions, for compliance with the 2.5% cap. The proposed law would require the Department to disapprove any rate increase exceeding 2.5% of the rates for the current fiscal year, unless approved by a voter override.

If a bond issue for improvements to water or sewer systems was in effect on the effective date of the proposed law, and required an increase greater than 2.5%, the proposed law would not prohibit such an increase.

The proposed law would supersede any conflicting limitation imposed by a municipal or corporate charter, or by any administrative order or regulation.

The proposed law states that if any of its parts were declared invalid, the other parts would stay in effect.

The proposed law would take effect upon certification of 2012 state election results and would apply to rates for fiscal years beginning on or after July 1, 2013.