

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1117 be amended to read as follows:

- 1 Page 13, delete lines 3 through 42, begin a new paragraph and
2 insert:
3 "SECTION 9. IC 13-26-5-2.5, AS AMENDED BY P.L.123-2011,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2012]: Sec. 2.5. (a) As used in this section, "septic tank soil
6 absorption system" has the meaning set forth in IC 13-11-2-199.5.
7 (b) Subject to subsection (d) **or (e), as applicable**, and except as
8 provided in subsection ~~(e)~~; **(f)**, a property owner is exempt from the
9 requirement to connect to a district's sewer system and to discontinue
10 use of a septic tank soil absorption system if the following conditions
11 are met:
12 (1) The property owner's septic tank soil absorption system was
13 new at the time of installation and was approved in writing by the
14 local health department.
15 (2) The property owner, at the property owner's own expense,
16 obtains and provides to the district a certification from the local
17 health department or the department's designee that the septic
18 tank soil absorption system is functioning satisfactorily. If the
19 local health department or the department's designee denies the
20 issuance of a certificate to the property owner, the property owner
21 may appeal the denial to the board of the local health department.
22 The decision of the board is final and binding.
23 (3) The property owner provides the district with:
24 (A) the written notification of potential qualification for the
25 exemption described in subsection ~~(g)~~; **(h)**; and
26 (B) the certification described in subdivision (2);
27 within the time limits set forth in subsection ~~(g)~~; **(h)**.
28 (c) If a property owner, within the time allowed under subsection
29 ~~(g)~~; **(h)**, notifies a district in writing that the property owner qualifies
30 for the exemption under this section, the district shall, until the

1 property owner's eligibility for an exemption under this section is
 2 determined, suspend the requirement that the property owner
 3 discontinue use of a septic tank soil absorption system and connect to
 4 the district's sewer system.

5 **(d) This subsection applies to a property owner who is required**
 6 **to connect to a district's sewer system as part of a project initiated**
 7 **before July 1, 2012.** A property owner who qualifies for the exemption
 8 provided under this section may not be required to connect to the
 9 district's sewer system for a period of ten (10) years beginning on the
 10 date the new septic tank soil absorption system was installed. If
 11 ownership of the property passes from the owner who qualified for the
 12 exemption to another person during the exemption period, the
 13 exemption does not apply to the subsequent owner of the property.

14 **(e) This subsection applies to a property owner who is required**
 15 **to connect to a district's sewer system as part of a project initiated**
 16 **after June 30, 2012. A property owner who qualifies for the**
 17 **exemption provided under this section may not be required to**
 18 **connect to the district's sewer system for a period of ten (10) years**
 19 **beginning on the date the new septic tank soil absorption system**
 20 **was installed. A property owner may apply for two (2) five (5) year**
 21 **extensions of the exemption provided under this section by**
 22 **following the procedures set forth in subsections (b) and (c). If**
 23 **ownership of an exempt property is transferred during a valid**
 24 **exemption period, including during an extension of an initial**
 25 **exemption:**

26 **(1) the exemption applies to the subsequent owner of the**
 27 **property for the remainder of the exemption period during**
 28 **which the transfer occurred; and**

29 **(2) the subsequent owner may apply for any remaining**
 30 **extensions.**

31 **However, the total period during which a property may be exempt**
 32 **from the requirement to connect to a district's sewer system under**
 33 **this section may not exceed twenty (20) years, regardless of**
 34 **ownership of the property.**

35 **(e) (f) This subsection applies only with respect to projects**
 36 **initiated before July 1, 2012.** The district may require a property
 37 owner who qualifies for the exemption under this section to discontinue
 38 use of a septic tank soil absorption system and connect to the district's
 39 sewer system if the district credits the unamortized portion of the
 40 original cost of the property owner's septic tank soil absorption system
 41 against the debt service portion of the customer's monthly bill. The
 42 amount that the district must credit under this subsection is determined
 43 in STEP TWO of the following formula:

44 STEP ONE: Multiply the original cost of the property owner's
 45 septic tank soil absorption system by a fraction, the numerator of
 46 which is ninety-six (96) months minus the age in months of the

1 property owner's septic system, and the denominator of which is
2 ninety-six (96) months.

3 STEP TWO: Determine the lesser of four thousand eight hundred
4 dollars (\$4,800) or the result of STEP ONE.

5 The district shall apportion the total credit amount as determined in
6 STEP TWO against the debt service portion of the property owner's
7 monthly bill over a period to be determined by the district, but not to
8 exceed twenty (20) years, or two hundred forty (240) months.

9 ~~(f)~~ **(g)** A district that has filed plans with the department to create or
10 expand a sewage district shall, within ten (10) days after filing the
11 plans, provide written notice to affected property owners:

12 (1) that the property owner may be required to discontinue the use
13 of a septic tank soil absorption system;

14 (2) that the property owner may qualify for an exemption from the
15 requirement to discontinue the use of the septic tank soil
16 absorption system; and

17 (3) of the procedures to claim an exemption.

18 ~~(g)~~ **(h)** To qualify for an exemption under this section, a property
19 owner must:

20 (1) within sixty (60) days after the date of the written notice given
21 to the property owner under subsection ~~(f)~~; **(g)**, notify the district
22 in writing that the property owner qualifies for the exemption
23 under this section; and

24 (2) within sixty (60) days after the district receives the written
25 notice provided under subdivision (1), provide the district with
26 the certification required under subsection (b)(2).

27 ~~(h)~~ **(i)** When a property owner who qualifies for an exemption under
28 this section subsequently discontinues use of the property owner's
29 septic tank soil absorption system and connects to the district's sewer
30 system, the property owner may be required to pay only the following
31 to connect to the sewer system:

32 (1) The connection fee the property owner would have paid if the
33 property owner connected to the sewer system on the first date the
34 property owner could have connected to the sewer system.

35 (2) Any additional costs:

36 (A) considered necessary by; and

37 (B) supported by documentary evidence provided by;
38 the district.

39 **(j) A property owner who connects to a district's sewer system
40 may provide, at the owner's expense, labor, equipment, materials,
41 or any combination of labor, equipment, and materials from any
42 source to accomplish the connection to the sewer system, subject to
43 inspection and approval by the board or a designee of the board.**

44 **(k) This section does not prohibit the state department of health,
45 a local health department, or a county health officer from
46 proceeding under IC 16-41-20 to declare a dwelling served by a**

- 1 **septic tank soil absorption system a public nuisance and pursuing**
- 2 **all available remedies."**
- 3 Delete page 14.
- 4 Page 15, delete lines 1 through 27.
- 5 Page 15, line 30, after "2.6." insert "**This section applies only with**
- 6 **respect to projects initiated after June 30, 2012."**
(Reference is to EHB 1117 as printed February 21, 2012.)

Senator HEAD