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MEMORANDUM

Finance Department

To: Mayor Jackola and City Council

October 14, 2026

From: Brandon Neish, Finance Director

Subject: Amendments to LMC Chapter 13.04 – Utility Accounts for Shared Residential Connections

I. INTRODUCTION

As part of the City's ongoing review of the Lebanon Municipal Code (LMC) provisions governing utility services, staff is proposing amendments to Chapter 13.04 to clarify utility account responsibilities for properties containing multiple residential dwelling units served through shared utility connections.

The proposed amendments would require utility accounts associated with shared residential connections to be established and maintained in the property owner's name rather than an individual tenant's name. The intent is to promote equitable billing practices, establish clear financial responsibility, and provide consistency in the administration of utility accounts.

II. CURRENT REPORT

At the October 14, 2026, City Council meeting, staff presented three options for addressing utility charges during periods of property vacancy. Following discussion, Council elected to maintain the City's existing billing practices, under which property owners remain responsible for applicable utility charges between tenants or during other periods of vacancy.

During that discussion, staff also identified a separate issue involving utility accounts for accessory dwelling units (ADUs), duplexes, and other multifamily residential properties that share utility connections. While Council elected not to pursue changes to vacancy billing practices, staff indicated that an ordinance addressing shared utility connections would be brought forward for consideration.

Under existing LMC 13.04.140, property owners are ultimately responsible for water and wastewater charges associated with their properties. However, utility accounts may be established in the names of individual tenants, including in circumstances where multiple residential dwelling units share a common utility connection.

This arrangement can create billing inequities when an individual tenant is named as the account holder for a connection serving multiple residences. In these circumstances, the City may be unable

to independently distinguish consumption attributable to each dwelling unit, potentially leaving one tenant responsible for charges associated with another household.

The proposed amendments to LMC 13.04 would require accounts associated with shared residential utility connections to remain in the property owner's name. This would establish a consistent party responsible for payment while allowing property owners to allocate utility expenses among tenants through lawful rental agreements.

Properties with separate, independently metered and connected utility services would continue to be eligible for individual tenant accounts. The proposed amendments are intended to address shared utility connections specifically, rather than impose additional requirements on all multifamily residential properties.

These changes are intended to improve billing fairness, reduce disputes associated with shared consumption, provide continuity of service during tenant transitions, and establish consistent administrative practices. The proposed ordinance does not modify existing utility rates, establish additional charges, or change the City's billing practices during periods of vacancy.

III. RECOMMENDATION

Staff recommends that City Council approve the proposed ordinance amending Lebanon Municipal Code Chapter 13.04 to clarify utility account ownership and payment responsibilities for residential properties served through shared utility connections.