

HOUSE BILL 545

N1

6lr0723

By: **Delegate Lafferty**

Introduced and read first time: February 3, 2016

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2016

CHAPTER _____

1 AN ACT concerning

2 **Landlord and Tenant – Water and Wastewater Charges – ~~Prohibition on Ratio~~**
3 **~~Utility Billing Systems~~**

4 FOR the purpose of ~~prohibiting a landlord on or after a certain date from using a ratio~~
5 ~~utility billing system to charge a tenant for the cost of certain water and wastewater~~
6 ~~utilities under certain circumstances; imposing certain limits on charges for certain~~
7 ~~water and wastewater utilities if a landlord charges a tenant separately for utilities;~~
8 ~~providing that a landlord that violates this Act is liable for certain damages and~~
9 ~~attorney's fees~~ requiring a landlord to disclose to a prospective tenant the method
10 used to charge tenants for the cost of certain utilities under certain circumstances;
11 requiring a landlord to provide a tenant with information to document a bill for
12 certain utilities under certain circumstances; authorizing a landlord to recover
13 payment of an arrearage due for certain utilities as rent; providing for the
14 application of this Act; defining certain terms; and generally relating to charging
15 tenants for water and wastewater.

16 BY adding to
17 Article – Real Property
18 Section 8–212.4
19 Annotated Code of Maryland
20 (2015 Replacement Volume)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Real Property

8–212.4.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “LANDLORD” MEANS:

(I) AN OWNER OF RESIDENTIAL RENTAL PROPERTY THAT OFFERS MORE THAN FOUR DWELLING UNITS FOR RENT ON ONE PARCEL; OR

(II) A PERSON ACTING ON BEHALF OF A LANDLORD.

(3) “RATIO UTILITY BILLING SYSTEM” MEANS ALLOCATING ONE OR MORE OF A LANDLORD’S AGGREGATE UTILITY CHARGES BY USING ONE OR MORE OF THE FOLLOWING METHODS:

(I) PER TENANT;

(II) PROPORTIONATELY BY LIVABLE SQUARE FOOTAGE;

(III) PER TYPE OF UNIT;

(IV) PER NUMBER OF WATER FIXTURES; OR

(V) BY ANY OTHER METHOD THAT ALLOCATES THE LANDLORD’S AGGREGATE UTILITY CHARGES AMONG THE TENANTS AND DOES NOT MEASURE ACTUAL PER TENANT USAGE.

(4) “UTILITIES” MEANS WATER CONSUMPTION OR USAGE AND WASTEWATER OR SEWAGE USE.

~~(B) (1) THIS SECTION DOES NOT APPLY IN A COUNTY THAT, ON OR BEFORE JULY 1, 2016, HAS ADOPTED A LOCAL ORDINANCE CONCERNING RATIO UTILITY BILLING SYSTEMS FOR WATER CONSUMPTION OR USAGE AND WASTEWATER OR SEWAGE USE.~~

~~(2)~~ THIS SECTION DOES NOT APPLY TO RESIDENTIAL RENTAL PROPERTY IN:

~~(1)~~ (1) A CONDOMINIUM ORGANIZED UNDER TITLE 11 OF THIS ARTICLE; OR

1 ~~(H)~~ (2) A COOPERATIVE HOUSING CORPORATION
2 ORGANIZED UNDER TITLE 5, SUBTITLE 6A OF THE CORPORATIONS AND
3 ASSOCIATIONS ARTICLE.

4 ~~(C)~~ ~~(1)~~ ~~ON OR AFTER JANUARY 1, 2017, A LANDLORD MAY NOT USE A~~
5 ~~RATIO UTILITY BILLING SYSTEM TO CHARGE A TENANT FOR THE COST OF UTILITIES.~~

6 ~~(2)~~ ~~(I)~~ ~~IF A LANDLORD CHARGES A TENANT SEPARATELY FOR~~
7 ~~UTILITIES, THE TENANT MAY NOT BE CHARGED MORE THAN THE ACTUAL COST FOR~~
8 ~~THE UTILITIES USED, PLUS AN ADMINISTRATIVE FEE NOT EXCEEDING \$2.00 FOR~~
9 ~~EACH BILLING.~~

10 ~~(H)~~ ~~A CHARGE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH~~
11 ~~SHALL BE BASED ON THE TENANT'S ACTUAL USAGE OF THE UTILITIES.~~

12 ~~(D)~~ ~~A LANDLORD THAT VIOLATES SUBSECTION (C) OF THIS SECTION IS~~
13 ~~LIABLE TO THE TENANT AFFECTED BY THE VIOLATION FOR:~~

14 ~~(1)~~ ~~THE GREATER OF:~~

15 ~~(I)~~ ~~THE TOTAL AMOUNT OF ALL DAMAGES PROXIMATELY~~
16 ~~CAUSED BY THE VIOLATION; OR~~

17 ~~(II)~~ ~~\$1,000 PER VIOLATION; AND~~

18 ~~(2)~~ ~~REASONABLE ATTORNEY'S FEES.~~

19 ~~(E)~~ ~~THIS SECTION DOES NOT PROHIBIT A LANDLORD FROM RECOVERING~~
20 ~~THE COSTS OF UTILITIES DESCRIBED IN SUBSECTION (C) OF THIS SECTION BY~~
21 ~~INCLUDING THE COSTS IN THE FIXED PERIODIC RENT OR LEASE PAYMENT.~~

22 (C) BEFORE A PROSPECTIVE TENANT SIGNS A LEASE, THE LANDLORD
23 SHALL DISCLOSE TO THE PROSPECTIVE TENANT THE METHOD USED TO CHARGE
24 TENANTS FOR THE COST OF UTILITIES.

25 (D) IF A LANDLORD USES A RATIO UTILITY BILLING SYSTEM, THE
26 LANDLORD, ON WRITTEN REQUEST, SHALL PROVIDE A TENANT WITH INFORMATION
27 TO DOCUMENT A BILL FOR UTILITIES.

28 (E) A LANDLORD MAY RECOVER PAYMENT OF AN ARREARAGE DUE FOR
29 UTILITIES AS RENT.

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1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
2 apply only prospectively and may not be applied or interpreted to have any effect on or
3 application to any lease entered into before the effective date of this Act.

4 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 ~~July~~ October 1, 2016.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.