

HOUSE BILL 884

C5, L5, N1

2lr0726

By: **Delegates Summers, Bobo, Braveboy, Gaines, Healey, Holmes, Howard, Ivey, Jacobs, Jones, Kaiser, Lafferty, McDonough, Niemann, B. Robinson, Stocksdale, and Zucker**

Introduced and read first time: February 9, 2012

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2012

CHAPTER _____

1 AN ACT concerning

2 **Electric, Gas, Sewer, and Water Service – Default Notice to Condominium**
3 **Unit Owners and Residents**

4 FOR the purpose of requiring certain persons that directly bill the governing body of a
5 condominium or a person designated by the governing body for the water,
6 sewer, electric, or gas service to post notice ~~at certain affected condominium~~
7 ~~units~~ conspicuously at or near the entry to the common area ~~and mail notice to~~
8 ~~the last known address of the owners of certain affected condominium units~~
9 when a certain charge is in default for a certain time period; authorizing certain
10 persons to enter onto the common area of certain condominium property at
11 certain times to post a certain notice ~~on~~ at or near the entry ~~of certain units~~ to
12 the common area; providing for the application of certain provisions of this Act;
13 and generally relating to the provision of default notice for electric, gas, sewer,
14 and water service to condominium property.

15 BY repealing and reenacting, without amendments,
16 Article – Environment
17 Section 9–662(l) and 9–724(c)
18 Annotated Code of Maryland
19 (2007 Replacement Volume and 2011 Supplement)

20 BY adding to
21 Article – Environment

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.



1 Section 9–662(o) and 9–724(d)
2 Annotated Code of Maryland
3 (2007 Replacement Volume and 2011 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – Environment
6 Section 9–726.1
7 Annotated Code of Maryland
8 (2007 Replacement Volume and 2011 Supplement)

9 BY adding to
10 Article – Public Utilities
11 Section 7–307.2
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2011 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Public Utilities
16 Section 25–504
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2011 Supplement)

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

21 **Article – Environment**

22 9–662.

23 (l) If a water bill is unpaid for 30 days after being sent, and after written
24 notice is left on the premises or mailed to the last known address of the owner, the
25 sanitary commission may:

26 (1) Disconnect water service to the property; and

27 (2) Require, before reconnecting water service, payment of the entire
28 water bill plus a reconnection charge reasonably related to the cost of reconnection, as
29 established by ordinance of the governing body of the county or municipal corporation
30 in which the water service is provided.

31 **(o) (1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO**
32 **A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL**
33 **PROPERTY ARTICLE.**

34 **(2) NOTWITHSTANDING ANY OTHER LAW, IF THE SANITARY**
35 **COMMISSION DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A**

1 PERSON DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR
2 WATER OR SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A
3 CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60
4 DAYS, THE SANITARY COMMISSION SHALL:

5 ~~(I) POST POST NOTICE AT EACH AFFECTED UNIT~~
6 CONSPICUOUSLY AT OR NEAR THE ENTRY TO THE COMMON AREA OF THE
7 CONDOMINIUM, AND.

8 ~~(II) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE~~
9 ~~OWNER OF EACH AFFECTED UNIT.~~

10 (3) THE SANITARY COMMISSION MAY ENTER ONTO THE COMMON
11 AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE
12 NOTICE REQUIRED UNDER THIS SUBSECTION ~~AT OR NEAR THE ENTRY OF EACH~~
13 ~~AFFECTED UNIT.~~

14 9-724.

15 (c) (1) The political subdivision shall send bills for water service to the
16 property, the property owner, or the property owner's designee for each property
17 served on a monthly, quarterly, or semiannual basis.

18 (2) The bills are payable at the office of the political subdivision on
19 receipt.

20 (3) If any bill remains unpaid after 30 days from the date the bill is
21 sent, the political subdivision shall:

22 (i) Notify the owner of the property served, in writing, that the
23 bill is in arrears and that water service will be discontinued;

24 (ii) Leave the notice on the owner's property or mail the notice
25 to the last known address of the owner; and

26 (iii) Discontinue water service to the property until the owner
27 pays the bill and a reconnection charge reasonably related to the cost of reconnection,
28 as established by ordinance of the governing body of the county or municipal
29 corporation in which the water service is provided.

30 (4) If any bill remains unpaid after 60 days from the date of sending
31 the notice:

32 (i) The bill and the penalty imposed under paragraph (3)(iii) of
33 this subsection shall be collectible from the property owner in the same manner and

1 subject to the same interest as taxes are collectible in the county in which the water or
2 sewerage system lies; and

3 (ii) The water service charges and all penalties shall be a first
4 lien on the property.

5 (D) (1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO
6 A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL
7 PROPERTY ARTICLE.

8 (2) NOTWITHSTANDING ANY OTHER LAW, IF THE POLITICAL
9 SUBDIVISION DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A
10 PERSON DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR
11 WATER OR SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A
12 CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60
13 DAYS, THE POLITICAL SUBDIVISION SHALL:

14 ~~(F) POST POST NOTICE AT EACH AFFECTED UNIT~~
15 CONSPICUOUSLY AT OR NEAR THE ENTRY TO THE COMMON AREA OF THE
16 CONDOMINIUM; AND

17 ~~(H) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE~~
18 ~~OWNER OF EACH AFFECTED UNIT.~~

19 (3) THE POLITICAL SUBDIVISION MAY ENTER ONTO THE COMMON
20 AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE
21 NOTICE REQUIRED UNDER THIS SUBSECTION ~~ON OR NEAR THE ENTRY OF EACH~~
22 ~~AFFECTED UNIT.~~

23 9-726.1.

24 (a) If a bill for sewerage service is unpaid for 45 days after being sent, a
25 political subdivision may disconnect water service to the property.

26 (b) Before disconnecting water service under this section, the political
27 subdivision shall provide notice:

28 (1) By mail sent to the last known address of the owner of the
29 property; or

30 (2) By posting the notice on the premises of the property served.

31 (c) (1) This subsection applies if a political subdivision:

32 (i) Provides sewerage service to a property; but

1 (ii) Does not provide water service to the property and water
 2 service is provided to the property by another political subdivision or by a private
 3 water company.

4 (2) If a political subdivision advises another political subdivision or a
 5 private water company that a bill for sewerage service is unpaid for 45 days after
 6 being sent, subject to the notice provisions under subsection (b) of this section, the
 7 political subdivision or private water company informed of the unpaid bill may
 8 disconnect water service to the property.

9 (d) (1) Before reconnecting water service, a political subdivision may
 10 require full payment of the sewerage bill plus a reconnection charge reasonably
 11 related to the cost of reconnection, as established by regulation of the political
 12 subdivision.

13 (2) A private water company may apply a reasonable reconnection
 14 charge, in accordance with the ratemaking requirements of Title 4 of the Public
 15 Utilities Article, when it reconnects water service.

16 (e) This subsection does not preclude the use of any other procedure
 17 available to a political subdivision to collect unpaid sewerage charges.

18 **(F) (1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO**
 19 **A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL**
 20 **PROPERTY ARTICLE.**

21 **(2) NOTWITHSTANDING ANY OTHER LAW, IF THE POLITICAL**
 22 **SUBDIVISION DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A**
 23 **PERSON DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR**
 24 **WATER OR SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A**
 25 **CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60**
 26 **DAYS, THE POLITICAL SUBDIVISION OR PRIVATE WATER COMPANY INFORMED**
 27 **OF THE UNPAID BILL SHALL:**

28 ~~(i) **POST POST NOTICE AT EACH AFFECTED UNIT**~~
 29 ~~**CONSPICUOUSLY AT OR NEAR THE ENTRY TO THE COMMON AREA OF THE**~~
 30 ~~**CONDOMINIUM; AND**~~

31 ~~(ii) **MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE**~~
 32 ~~**OWNER OF EACH AFFECTED UNIT.**~~

33 **(3) THE POLITICAL SUBDIVISION MAY ENTER ONTO THE COMMON**
 34 **AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE**

1 NOTICE REQUIRED UNDER THIS SUBSECTION ~~ON OR NEAR THE ENTRY OF EACH~~
 2 ~~AFFECTED UNIT.~~

3 **Article – Public Utilities**

4 **7-307.2.**

5 (A) THIS SECTION APPLIES ONLY TO PROPERTY SUBJECT TO A
 6 CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL
 7 PROPERTY ARTICLE.

8 (B) NOTWITHSTANDING ANY OTHER LAW, IF A PUBLIC SERVICE
 9 COMPANY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A PERSON
 10 DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR ELECTRIC,
 11 GAS, OR WATER SERVICE FOR ALL OR A PORTION OF THE UNITS IN A
 12 CONDOMINIUM PROPERTY, AND THE CHARGE FOR SERVICE IS IN ARREARS FOR
 13 AT LEAST 60 DAYS, THE PUBLIC SERVICE COMPANY SHALL:

14 ~~(1) POST NOTICE AT EACH AFFECTED UNIT CONSPICUOUSLY AT~~
 15 ~~OR NEAR THE ENTRY TO THE COMMON AREA OF THE CONDOMINIUM; OR~~

16 ~~(2) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE OWNER~~
 17 ~~OF EACH AFFECTED UNIT.~~

18 (C) THE PUBLIC SERVICE COMPANY MAY ENTER ONTO THE COMMON
 19 AREA OF A CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE
 20 NOTICE REQUIRED UNDER THIS SECTION ~~ON OR NEAR THE ENTRY OF EACH~~
 21 ~~AFFECTED UNIT.~~

22 25-504.

23 (a) The Commission:

24 (1) may provide for the billing and collection of the water and sewer
 25 usage charges on an estimated basis for periods of 6 months or less, based on the
 26 historical daily average consumption calculated from actual previous usage;

27 (2) shall read the meter at least once every 6 months; and

28 (3) (i) shall base the final bill for the 6-month period on the actual
 29 consumption adjusted by previous estimates, if the meter had not been read because it
 30 was inaccessible;

1 (ii) shall base the final bill for the 6-month period on the
2 historical daily average consumption, calculated from actual previous usage, if a final
3 reading cannot be made because:

4 1. the meter malfunctioned;

5 2. the meter had been taken out of service for repairs,
6 maintenance, or water system relining purposes; or

7 3. there was theft of service;

8 (iii) may modify the historical daily average consumption
9 calculation based on appropriate evidence submitted by the owner; and

10 (iv) may not base a final bill on estimated usage for two
11 consecutive 6-month periods.

12 (b) (1) The Commission shall bill for the amount of water and sewer usage
13 charges to each property served monthly, four times a year, or twice a year, as the
14 Commission determines.

15 (2) On receipt each bill is payable to the Commission.

16 (c) (1) A late payment charge of 5% of the unpaid charges shall be added
17 and collected as part of the bill if:

18 (i) the Commission sends out a bill for water and sewer usage
19 charges in the regular course of business;

20 (ii) for a service period of less than 3 months, the bill is not paid
21 20 days from the date of sending; or

22 (iii) for a service period of 3 months or more, the bill is not paid
23 30 days from the date of sending.

24 (2) The late payment charge is in addition to and not in substitution
25 for or derogation of any other right or remedy granted to the Commission by any other
26 law.

27 (d) (1) If a bill is not paid within 30 days after the date of sending, after
28 leaving written notice on the premises or mailing notice to the owner's last known
29 address, the Commission shall turn off the water to the property.

30 (2) The water may not be turned on again until the bill, any late
31 payment penalty charges as authorized by law, and the cost incurred in shutting off
32 and restoring the water supply are paid.

1 (e) If a bill is not paid within 60 days after the date of sending, the bill shall
2 be collected against the owner of the property served in the same manner as other
3 debts are collected in Montgomery County and Prince George's County.

4 (f) **(1) THIS SUBSECTION APPLIES ONLY TO PROPERTY SUBJECT TO**
5 **A CONDOMINIUM REGIME ESTABLISHED UNDER TITLE 11 OF THE REAL**
6 **PROPERTY ARTICLE.**

7 **(2) NOTWITHSTANDING ANY OTHER LAW, IF THE COMMISSION**
8 **DIRECTLY BILLS THE GOVERNING BODY OF A CONDOMINIUM OR A PERSON**
9 **DESIGNATED BY THE GOVERNING BODY OF A CONDOMINIUM FOR WATER OR**
10 **SEWER USAGE CHARGES FOR ALL OR A PORTION OF THE UNITS IN A**
11 **CONDOMINIUM PROPERTY, AND A CHARGE IS IN DEFAULT FOR AT LEAST 60**
12 **DAYS, THE COMMISSION SHALL:**

13 ~~(I) POST NOTICE AT EACH AFFECTED UNIT~~
14 ~~CONSPICUOUSLY AT OR NEAR THE ENTRY TO THE COMMON AREA OF THE~~
15 ~~CONDOMINIUM; OR~~

16 ~~(II) MAIL NOTICE TO THE LAST KNOWN ADDRESS OF THE~~
17 ~~OWNER OF EACH AFFECTED UNIT.~~

18 **(3) THE COMMISSION MAY ENTER ONTO THE COMMON AREA OF A**
19 **CONDOMINIUM PROPERTY AT A REASONABLE TIME TO POST THE NOTICE**
20 **REQUIRED UNDER THIS SUBSECTION ~~ON OR NEAR THE ENTRY OF EACH~~**
21 **~~AFFECTED UNIT.~~**

22 **(G)** The provisions of subsections (b), (d), [and] (e), **AND (F)** of this section
23 that relate solely to sewer usage charges may not be construed to invalidate an
24 existing contract between the Commission and a municipality located in the sanitary
25 district without the consent of the municipality.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2012.