

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1470 (Delegate M. Washington)
Environment and Transportation

Baltimore City - Landlord and Tenant - Water and Sewer Billing

This bill prohibits a public service company in Baltimore City that provides water or sewer service from terminating water or sewer service to a multifamily dwelling unit based on the nonpayment of charges associated with the water or sewer service. The bill also, only in Baltimore City, (1) requires a landlord to provide specified water and sewer billing data to tenants; (2) establishes additional requirements for a written lease; and (3) prohibits a landlord from filing complaint for repossession of a residential dwelling for breach of lease if the tenant's only breach is a failure to pay to the landlord a fee or charge for water or sewer service.

Fiscal Summary

State Effect: The bill is not anticipated to materially impact State operations or finances.

Local Effect: The bill is not anticipated to affect Baltimore City operations or finances, as discussed below.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Water and Sewer Billing Data

In Baltimore City, a landlord who collects a fee or charge under a lease for water or sewer service for a residential dwelling unit must provide (1) monthly water and sewer billing

data to the tenant that includes information on the water and sewer charges that are directly attributable to the tenant or (2) authorization, as required by the public service company that provides water or sewer service to the dwelling unit, that allows the tenant to directly access billing data from the public service company.

Written Leases

In Baltimore City, a landlord may collect a fee or charge under a lease for water or sewer service for a residential dwelling unit *only if* (1) the landlord uses a written lease; (2) the lease includes a provision, distinctly set apart from its other provisions, identifying the fees and charges that are collectible under the lease; and (3) the lease includes notice of the system used to allocate any fee or charge for water or sewer service billed through a ratio utility billing system, if such a system is used.

On written request, a landlord in Baltimore City who uses a ratio utility billing system must provide a tenant with information to document a bill for utilities.

Current Law:

Public Utilities

The Public Utilities Article defines a “public service company” as a common carrier company, electric company, gas company, sewage disposal company, telegraph company, telephone company, water company, or any combination of public service companies. “Water company” means a public service company that owns a water plant and sells or distributes water *for gain*. “Sewage disposal company” means a *privately owned* public service company that owns or maintains facilities for the disposal of sewage.

Generally, the Public Utilities Article does not authorize the incorporation of a water company to operate in Baltimore City.

Written Leases

On or after October 1, 1999, any landlord who offers five or more dwelling units for rent in the State may not rent a residential dwelling unit without using a written lease.

Action for Breach of Lease

If an unexpired lease authorizes the landlord to repossess the premises prior to the expiration of the term of the lease if the tenant breaches the lease, then the landlord may file a complaint for breach of lease. The complaint must be in writing, filed in the District Court of the county where the property is located and based on the following

circumstances: (1) the tenant breaches the lease; (2) the landlord meets specified notice requirements or the breach “demonstrates a clear and imminent danger” and meets additional specified notice requirements; and (3) the tenant or person in actual possession of the premises refuses to comply.

Utility Billing Systems

Section 7-303 of the Public Utilities Article addresses the “submetering” of apartment and commercial buildings for electricity or natural gas. “Submetering” means the installation of equipment to determine the actual use of electricity or gas per residential unit or commercial rental unit. Based on the authority included in statute, the Public Service Commission (PSC) authorizes, by regulation, an owner, operator, or manager of an apartment house (including a condominium), office building, or shopping center with a master meter to install submeters for determining the actual use of electricity or gas per unit.

Approval from PSC is also required before an energy allocation system (a method of determining the approximate energy use consumed within a dwelling unit through the use of a measuring device) may be used by the owner, operator, or manager of an apartment house to determine the amount of gas or electricity used by an individual dwelling unit. PSC may approve an energy allocation system upon a demonstration by the owner that the system results in a reasonable determination of the cost of the energy use within a dwelling unit. The owner, operator, or manager may not use the energy allocation system to bill energy costs to tenants of an individual dwelling unit without PSC approval.

Background: The Administrative Office of the Courts advises that, in fiscal 2017, a total of 144,058 landlord/tenant cases were filed in Baltimore City.

Local Fiscal Effect: Baltimore City is the only provider of water and sewer services to city residents. Baltimore City advises that it interprets applicable laws to exclude the Baltimore City Department of Public Works, Bureau of Water and Wastewater, from the definition of a public service company. This interpretation is based on the definitions of “water company” and “sewage disposal company” under the Public Utilities Article, as well as the assessment that the Article does not authorize the incorporation of a water company to operate in Baltimore City.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Judiciary (Administrative Office of the Courts);
Department of Legislative Services

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