

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 468

(Senator Eckardt, *et al.*)

Judicial Proceedings

Environment and Transportation

Landlord and Tenant - Residential Leases - Water and Sewer Bills

This bill requires a landlord of a building that contains one or two residential dwelling units, who requires a tenant to make payments for water or sewer utility services to the landlord, to (1) use a written lease that provides notice that the tenant is responsible for making payments for water or sewer utility services to the landlord and (2) provide a copy of the water or sewer bill to the tenant.

Fiscal Summary

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

Local Effect: The bill is not anticipated to impact local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Utility service provider” means a public service company or a unit of State or local government that provides water or sewer utility services. The bill does not apply to a landlord that requires a tenant, under an oral or written lease, to pay water or sewer bills directly to the utility service provider.

Current Law: Statute does not specifically require a landlord of a building that contains one or two residential dwelling units who requires a tenant to make payments for water or sewer utility services to the landlord to use a written lease, or provide a copy of the water or sewer bill to the tenant. 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.

Generally, a tenant may deduct from rent due to a landlord the amount of payments made to a utility service provider if (1) an oral or written lease for an affected dwelling unit requires the landlord to pay the utility bill and (2) the tenant pays all or part of the utility bill, including payments made on a new utility service account, or the tenant pays any security deposit required to obtain a new utility service account. For purposes of this provision, an affected dwelling unit means a dwelling unit where the utility service is in the landlord's name and is delivered through a single meter.

Background: Chapters 615 and 616 of 2017 established the Task Force to Study Tax Sales in Maryland. The task force was required to (1) evaluate and assess the impact of tax sales in Maryland; (2) evaluate how tax sales are conducted in each county; (3) evaluate tax sales to collect delinquent water charges and alternative methods of collecting delinquent water charges; and (4) examine and make recommendations for reform of the tax sale process in Maryland. Among other recommendations, the task force recommended requiring landlords owning one and two unit buildings with leases that have the tenants paying water bills to show a copy of the water bill to tenants upon request.

Additional Information

Prior Introductions: None.

Cross File: HB 1073 (Delegate Holmes) - Environment and Transportation.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2018
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