



Senate Bill 130 — Environment – Water – Individual Unit Meters

Hearing before the Senate Education, Energy, and the Environment Committee,

On February 3, 2026

Position: FAVORABLE

Maryland Legal Aid submits its written testimony in support of Senate Bill 130 at the request of the bill sponsor Senator Shaneka Henson.

Maryland Legal Aid is a nonprofit law firm that provides free civil legal services to low-income and vulnerable Marylanders. Our offices serve residents in all 24 jurisdictions, and housing is our largest area of practice. Last year, Maryland Legal Aid’s Tenant Right to Counsel Project represented over 4,700 renter households across the State in eviction proceedings. In many cases, unpredictable utility costs, combined with unaffordable rent, throw our clients into a cycle of housing destabilization. We therefore urge the Committee’s **favorable** report on SB 130, which provides consumer-facing tools for holding third-party companies accountable for erroneous individual metering (or “submetering”) of water and sewer utilities.

SB 130 establishes transparency rules for an emerging, unregulated utility market: water/sewer submetering in multi-family rental properties. Water submetering involves metering equipment, billing, and customer service operated by a third-party company, which is not a public utility company. SB 130 fills an important gap in consumer protection by introducing regulation of these third-party companies. Currently, the Public Service Commission does not oversee water submetering. The state regulates apartment building submetering only for electricity and gas (COMAR Title 20, Subtitle 25). When it comes to water/sewer utilities, state law has yet to submetering, which is separate and distinct from more common water billing methods like Ratio Utility Billing Systems (regulated under Real Property § 8-212.4) or tenant-to-landlord utility charges (covered by Real Property §§ 8-205.1 and 8-205.2).

The protections in SB 130 are a critical first step in regulating water submeters.

This legislation proposes five (5) significant areas of protection for renters in buildings that utilize individual water metering.

1. *Transparency requirements:* Landlords must maintain, and provide tenants access to, detailed records “necessary for a tenant to verify a water utility bill,” including records of total building costs imposed by the utility, total revenue collected from tenants, and the formula used to allocate the cost of each unit’s consumption.
2. *Junk fee protection:* The bill prohibits charges to tenants for water/sewer costs beyond what the water utility actually charged to the property owner. It bars charges to tenants for the costs associated with common areas, leaks, and poor maintenance. The bill also caps any “additional service charge” at \$1.00 per unit per month.
3. *Eviction protection:* The bill expressly prohibits the treatment of unpaid water bills as unpaid rent in eviction proceedings. This provision codifies existing Maryland case law such as *Westminster Management, LLC v. Smith*, 486 Md. 616 (2024), and *Sager v. Housing Commission of Anne Arundel County*, 957 F. Supp. 2d 627 (D. Md. 2013).
4. *Equipment standards:* The bill mandates leak detection monitors on all individual unit meters and requires that tenants be able to periodically inspect those monitors. The bill also tasks the Maryland Department of the Environment with adopting accuracy, testing, and record-keeping regulations “at least as stringent” as those currently in place for water service provider meters.
5. *Complaint process:* Tenants will have redress for violations via complaints to a local landlord-tenant commissions, local consumer protection agency, or the Consumer Protection Division of the Office of the Attorney General.

These protective measures provide an important first step for Maryland in regulating third-party water/sewer submetering. Notably, SB 130 falls short of the breadth of protections that exist currently for electric and gas submetering. For instance, for electricity and gas, Maryland requires:

- Lease disclosure, so that tenants are made aware of their contractual obligations for submetered billing;
- Universal installation, obligating the landlord to use submeters for all units and prohibiting selective use of submeters;
- Free submeter testing on tenant request;
- Pre-installation accuracy testing for each submeter;

- Overcharge and back-billing remedies related to inaccurate meters or limits;
- Bill format, so that the third party’s billing statement includes critical information like meter readings, calculation methodology, and dispute contacts.
- Limitations on estimated billing, limited to cases of broken, tampered, or inaccessible submeters

These additional measures can – and should – be accomplished by Department of the Environment and the Department of Housing and Community Development, pursuant to subsection (e) of the bill (page 4).

SB 130 enables renters to verify the basis and accuracy of submetered billing.

Defending a Howard County tenant from eviction based on unpaid water bills, Maryland Legal Aid reviewed over 2 years of monthly billing statements sent to our client by the submeter company Minol. As shown below, these billing statements provided some important information about submeter readings, consumption, and calculations – but not all the information necessary to verify the accuracy of the charges.

▶ WATER & SEWER SERVICE FROM 10/8/2024 TO 11/8/2024							
<i>This statement is not from Howard County. This statement reflects individual submetered usage.</i>							
Meter Number		Current Reading	Previous Reading	Usage			
[REDACTED]		298800	292040	6760			
		Total Usage			6,760		
Charge Description	Qty1	Days	Qty2	Rate	Unit	Amount	
WATER	-	31	6,760.00	0.003489	Gallons	\$23.59	
WATER BASE	-	31	31.00	0.036129	Per Day	\$1.12	
SEWER	-	31	6,760.00	0.005013	Gallons	\$33.89	
SEWER BASE	-	31	31.00	0.074982	Per Day	\$2.32	
ADMIN FEE	-	31	1.00	3.00	Cycle	\$3.00	
				Total WATER & SEWER Charges \$63.92			

Specifically, the billing statements did not explain the basis for the “Rate” numbers used in the calculation, nor did they explain what a “water base” and “sewer base” are. Our client’s lease lacked these details, as well.

This example reveals, on one hand, that consumption data and other details can be provided to tenants and retained for recordkeeping by landlords. On the other hand, we see that there remain other areas of vital information which tenants are unlikely to access readily without enactment of SB 130.

Predatory utility billing and “junk” fees pose outsized harm to our clients.

Thirty-seven percent of U.S. households would not be able to cover a \$400 emergency expense using cash or its equivalent, according to a survey of over 12,000 adults conducted by Federal Reserve.¹ Particularly for low-income renters, an unexpectedly high utility bill from an inaccurate submeter or charges based on common areas could lead to extreme destabilization. In Ohio, where reform of water and electric submetering has recently become the subject of appellate litigation and bipartisan legislative efforts, tenants have complained “that they’re regularly hit with unreasonable water and electric costs from submeters... [including] costs from common areas like hallways and lobbies.”²

Submetering has been shown to raise utility costs substantially without effective regulation. According to one investigation, Ohio residents paid 5% to 40% more when their landlords worked with third-party submetering companies.³ In Salisbury, Maryland, a multi-family landlord is charging our client and their neighbors an annual \$120 “account fee” for electric submetering

¹ Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households: Survey of Household Economics and Decisionmaking (updated May 28, 2025), <https://www.federalreserve.gov/consumerscommunities/sheddataviz/unexpectedexpenses.html>; see also Aaron McCade, “Here’s How Many Americans Can’t Afford a \$400 Emergency—The Numbers May Shock You,” Investopedia (Sept. 22, 2025), <https://www.investopedia.com/here-s-how-many-americans-can-t-afford-a-usd400-emergency-the-numbers-may-shock-you-11814788> (“That means 37% said they either couldn’t pay it, would turn to a credit card with plans to pay it off later, sell something, borrow money from a friend or relative, or take out a loan of some kind. About 13% of the entire survey said they wouldn’t be able to cover the expense at all.”).

² Jake Zuckerman, “Ohio lawmakers target utility middlemen accused of jacking up electric prices,” Signal Cleveland (May 6, 2025), <https://signalcleveland.org/ohio-lawmakers-target-utility-submeterers/>

³ Jessica Balmert, “Ohio renters say utility bills are too high due to submetering. Lawmakers want to change it,” Cincinnati Enquirer (June 6, 2025), <https://www.cincinnati.com/story/news/politics/2025/05/06/ohio-lawmakers-want-to-add-protections-for-submetering-customers>.

– in violation of Maryland’s existing \$1.00 monthly cap on administrative fees for electric submeters. Without regulations in place, submetering leaves renters vulnerable to price gouging, junk fees, and pass-through costs that defray the landlord’s expense for installation of and maintenance of submeter equipment.

In recent years, the General Assembly has made strides to increase transparency in water billing for renters. SB 130 fills in a critical gap in this policy arena that will increasingly impact Maryland renters as more apartment buildings convert to submetering. **Maryland Legal Aid urges the Committee to report Favorable on SB 130.** If you have any questions, please contact:

Zafar S. Shah

Advocacy Director for Human Right to Housing

zshah@mdlabor.org | (410) 951-7672