

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

Senate Bill 171

(Senator Augustine)

Judicial Proceedings

Environment and Transportation

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Landlord and Tenant - Notice of Utility Bills in Residential Leases - Gas and  
Electric Services

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This bill generally (1) extends statutory provisions requiring landlords to provide certain notice and documentation to tenants that are required to make payments to the landlords for specified utility services to be applicable to gas and electric services; (2) restricts the aforementioned provisions to landlords of buildings with six or more residential dwelling units; and (3) establishes specific notice and documentation requirements for landlords of buildings with five or fewer residential dwelling units.

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Fiscal Summary

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

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary/Current Law:**

*Definitions*

Under current law, “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 adds *gas* and *electric* to this definition.

“Ratio utility billing system” means allocation of one or more of a landlord’s utility charges, collected via a master meter, among the tenants by any method that does not measure actual per-tenant usage for the utility.

#### *Payments for Utilities to Landlord – Requirements*

Under current law, a landlord that requires a tenant to make payments for water or sewer utility services to the landlord must (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.

The bill also extends these provisions to be applicable to gas and electric services. Instead of providing a copy of the utility bill to the tenant, the bill also authorizes a landlord, before the beginning of the initial lease and each term thereafter for the duration of the tenancy, to notify the tenant in writing of the total utility costs billed to the landlord in the immediately preceding year for water, sewer, gas, or electric utility services, disaggregated by utility type.

Under current law, the aforementioned requirements do not apply if a landlord requires a tenant, under an oral or written lease, to pay water or sewer bills directly to the utility service provider. The bill extends this exemption to gas and electric bills and exempts any utility that is allocated using a ratio utility billing system. Under current law, the statutory requirements are applicable to a landlord of a building that contains one or two residential dwelling units. The bill establishes that these requirements only apply to a landlord of a building that contains *six or more* residential dwelling units.

The bill establishes that a landlord of a building that contains *five or fewer* residential dwelling units (and who requires a tenant to make payments for water, sewer, gas, or electric utility services to the landlord) must (1) use a written lease that provides notice that the tenant is responsible for making payments for water, sewer, gas, or electric utility services to the landlord and (2) provide a copy of the water, sewer, gas, or electric utility bill to the tenant. However, these provisions do not apply to a landlord that requires a tenant, under an oral or written lease, to pay water, sewer, gas, or electric bills directly to the utility service provider.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 139 (Delegate Charkoudian, *et al.*) - Environment and Transportation.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division);  
Department of Human Services; Department of Legislative Services

**Fiscal Note History:** First Reader - January 28, 2024  
rh/jkb Third Reader - March 19, 2024  
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