

# SENATE BILL 397

C5

8lr2638

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By: **Senator Astle**

Introduced and read first time: January 25, 2018

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Public Utilities – Apartment Houses and Commercial Buildings – Service**  
3 **Charges**

4 FOR the purpose of altering the amount of a certain additional service charge that an  
5 owner, an operator, or a manager of an apartment house, an office building, or a  
6 shopping center may collect to cover certain administrative costs and billing;  
7 authorizing an owner, an operator, or a manager of an apartment house to collect a  
8 certain additional service charge in a certain amount to cover certain administrative  
9 costs and billing; and generally relating to the collection of service charges from units  
10 in apartment houses and commercial buildings.

11 BY repealing and reenacting, with amendments,  
12 Article – Public Utilities  
13 Section 7–303 and 7–304  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2017 Supplement)

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

18 **Article – Public Utilities**

19 7–303.

20 (a) (1) In this section the following words have the meanings indicated.

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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           (2) (i) “Apartment house” means one or more buildings that each  
2 contain more than two dwelling units and in which all the dwelling units are occupied  
3 primarily for nontransient use with rent paid at intervals of 1 week or longer.

4           (ii) “Apartment house” includes a residential condominium or  
5 cooperative, whether the units are rented or owner occupied.

6           (3) “Commercial rental unit” means any leased premises used for retail,  
7 commercial, clerical, or professional purposes.

8           (4) “Dwelling unit” means premises that consist of one or more rooms  
9 suitable for occupancy as a residence and that contain kitchen and bathroom facilities.

10          (5) “Office building” means one or more buildings that each contain two or  
11 more commercial rental units.

12          (6) “Shopping center” means any combination of privately owned  
13 commercial, professional, or retail establishments to which the general public is invited for  
14 business purposes.

15          (7) “Submetering” means the installation of equipment to determine the  
16 actual use of gas or electricity for each:

17           (i) residential unit in an apartment house; or

18           (ii) commercial rental unit in an office building or shopping center.

19          (b) An apartment house, office building, or shopping center that contains a  
20 combination of dwelling units or commercial rental units is included under the  
21 requirements of this section.

22          (c) Subject to the provisions of this section, and with the approval of the  
23 Commission, a local housing authority established under Division II of the Housing and  
24 Community Development Article may submeter any combination of apartment houses,  
25 commercial rental units, dwelling units, office buildings, and shopping centers.

26          (d) (1) Notwithstanding any other law, the Commission shall adopt  
27 regulations to establish standards:

28           (i) by which an owner, operator, or manager of an apartment house,  
29 office building, or shopping center may install submetering equipment for each dwelling  
30 unit or commercial rental unit that is not individually metered for gas or electricity; and

31           (ii) to allocate fairly the cost of each unit’s gas or electrical  
32 consumption.

1           (2)   (i)    An owner, operator, or manager of an apartment house, office  
2 building, or shopping center who installs submetering equipment under this section to  
3 provide bulk metered service may not impose on a unit in the facility any utility cost except  
4 the charges that the Commission authorizes and that the gas company or electric company  
5 actually imposes on the owner, operator, or manager.

6           (ii)   The charges imposed under subparagraph (i) of this paragraph  
7 shall be allocated among the units in proportion to the actual usage of cubic feet or kilowatt  
8 hours by the unit.

9           (iii)  The owner, operator, or manager of an apartment house, office  
10 building, or shopping center may collect an additional service charge not exceeding **[\$1]**  
11 ~~THE ACTUAL COST~~ **THE LESSER OF THE ACTUAL COST OR \$5** per unit per month to  
12 cover administrative costs and billing.

13          (3)   (i)    The requirements of this paragraph do not apply to units  
14 constructed, managed, operated, developed, or subsidized by a local housing authority  
15 established under Division II of the Housing and Community Development Article.

16          (ii)   If the owner, operator, or manager of an apartment house, office  
17 building, or shopping center installs submeters during the term of a lease or agreement  
18 that includes the cost of gas or electricity consumed for the unit, the owner, operator, or  
19 manager shall:

20                   1.    determine the amount of gas or electric costs saved by that  
21 unit; and

22                   2.    pass that amount on to the unit's occupant as a payment  
23 or reduction in rent.

24          (4)   All submetering equipment under this section is subject to:

25           (i)    the regulations and standards that the Commission adopts for  
26 the accuracy, testing, and record keeping of meters that gas companies or electric  
27 companies install; and

28           (ii)   the meter requirements of §§ 7-301 and 7-302 of this subtitle.

29          (e)    The regulations that the Commission adopts under this section shall:

30           (1)   include appropriate safeguards for the occupant of the dwelling unit or  
31 commercial rental unit;

32           (2)   require that the utility costs and charges on each unit be imposed in  
33 accordance with subsection (d)(2) of this section; and

1           (3)     require that the owner, operator, or manager of the apartment house,  
2 office building, or shopping center:

3                   (i)     maintain adequate records regarding submetering; and

4                   (ii)    allow the occupant of the unit to inspect the records during  
5 reasonable business hours.

6           (f)     A regulation or standard that the Commission adopts under this section may  
7 be enforced under §§ 3–104 and 13–101 of this article.

8           (g)     The owner, operator, or manager of an apartment house, office building, or  
9 shopping center:

10                   (1)    may not be considered a public service company; and

11                   (2)    may use metering equipment only to allocate fairly the costs of gas or  
12 electric service among the occupants of the apartment house, office building, or shopping  
13 center in accordance with subsection (e) of this section.

14           (h)     (1)    A complaint by an occupant of a dwelling unit or commercial rental unit  
15 against an owner, operator, or manager of an apartment house, office building, or shopping  
16 center under this section may be filed in the county or municipal corporation where the  
17 apartment house, office building, or shopping center is located.

18                   (2)    A complaint filed under paragraph (1) of this subsection may be  
19 handled by:

20                           (i)    the landlord–tenant commission, if one exists, of the county or  
21 municipal corporation;

22                           (ii)   the consumer protection agency, if one exists, of the county or  
23 municipal corporation if there is not a landlord–tenant commission in the county or  
24 municipal corporation;

25                           (iii)   the Consumer Protection Division of the Office of the Attorney  
26 General, if there is not a consumer protection agency in the county or municipal  
27 corporation; or

28                           (iv)   any other State or local government unit or office designated to  
29 handle tenants' complaints.

30           (i)     This section does not affect the right of an owner, operator, or manager of an  
31 apartment house, office building, or shopping center to redistribute gas or electricity to  
32 tenants or occupants.

33 7–304.

1 (a) (1) In this section the following words have the meanings indicated.

2 (2) "Apartment house" has the meaning stated in § 7-303(a) of this  
3 subtitle.

4 (3) "Dwelling unit" has the meaning stated in § 7-303(a) of this subtitle.

5 (4) "Energy allocation system" means a method of determining the  
6 approximate energy use within an individual dwelling unit by a measuring device that the  
7 Commission approves.

8 (b) (1) Approval from the Commission is required before energy allocation  
9 equipment and procedures may be used by the owner, operator, or manager of an apartment  
10 house to determine the amount of gas or electricity used by an individual dwelling unit, if  
11 the amount of gas or electricity is determined by means other than by actual measurement  
12 of fuel or electric power consumed by the unit.

13 (2) An energy allocation system may not be used for direct billing of energy  
14 costs to the tenant of an individual dwelling unit unless the Commission approves the  
15 system in accordance with this subsection.

16 **(3) THE OWNER, OPERATOR, OR MANAGER OF AN APARTMENT HOUSE**  
17 **MAY COLLECT AN ADMINISTRATIVE SERVICE CHARGE NOT EXCEEDING ~~THE ACTUAL~~**  
18 **~~COST~~ THE LESSER OF THE ACTUAL COST OR \$5 PER UNIT PER MONTH TO COVER**  
19 **ADMINISTRATIVE COSTS AND BILLING.**

20 (c) (1) The Commission shall adopt regulations that specify the conditions  
21 under which the energy allocation equipment and procedures approved by it under  
22 subsection (b) of this section may be implemented.

23 (2) The regulations shall include requirements that the owner, operator, or  
24 manager of an apartment house shall use to inform consumers about estimated energy  
25 costs.

26 (d) The Commission shall send any complaint it receives about an individual  
27 dwelling unit's gas or electric power consumption to the Office of the Attorney General,  
28 Consumer Protection Division, if the dwelling unit's gas or electric power consumption is  
29 determined by the use of energy allocation equipment and procedures approved by the  
30 Commission under subsection (b) of this section.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2018.