

HB 218

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 218

Economic Matters

(Prince George's County Delegation)

Finance

Prince George's County – Utility Services – Master Meters and Task Force PG
429–18

This bill prohibits, in Prince George's County, the Public Service Commission (PSC) or the Washington Suburban Sanitary Commission (WSSC) from authorizing the use of a master meter in certain circumstances. The bill also establishes the Task Force on the Use of Master Meters for Utility Services in Prince George's County to study and make recommendations on related issues. Prince George's County must provide staff for the task force, as specified. By December 31, 2018, the task force must report its findings and recommendations to the Governor and the members of the Prince George's County Delegation. **The bill takes effect June 1, 2018, and provisions related to the task force terminate June 30, 2019.**

Fiscal Summary

State Effect: Any expense reimbursements for task force members are assumed to be minimal and absorbable within budgeted existing resources. Revenues are not affected.

Local Effect: Prince George's County expenditures increase by \$74,000 in FY 2019 only to support the work of the task force. WSSC revenues and expenditures increase beginning as early as FY 2018, as discussed below. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Meaningful.

Analysis

Bill Summary: In Prince George's County, PSC or WSSC may not authorize a master meter in a residential multiple occupancy unit that is constructed for, or converted to, condominium or cooperative ownership. In the case of a residential multiple occupancy building in which master meters were previously authorized, the intended conversion to condominium or cooperative ownership may not take effect until individual meters have been installed.

The task force must study issues related to the use of master meters in residential multiple occupancy buildings that are constructed or converted to condominium or cooperative ownership in Prince George's County. The task force must also study and make recommendations related to the amount of money that is owed by unit owners in such situations. The Office of Community Relations, Common Ownership Communities of Prince George's County must provide staff for the task force. A member of the task force may not receive compensation as a member of the task force but is entitled to reimbursement for travel expenses.

Current Law: In Prince George's County, electric and gas service is provided by utilities that are regulated by PSC. Water/sewer service is generally provided by WSSC, a bi-county agency, except for individuals receiving services from a municipality or those on well and septic systems.

Generally, PSC may not authorize an electric or gas company to service an occupancy unit in a new residential multiple occupancy building, a new shopping center, or a new housing unit constructed, managed, or operated by a local housing authority unless the building or unit has individually metered service or submetering for each individually leased or owned occupancy unit or shopping center unit. This requirement applies to multi-tenant buildings and shopping centers constructed after July 1, 1978. There are two broad exceptions, subject to specified conditions:

- PSC may allow the use of a master electric or gas meter for heating or cooling without requiring individual metering or submetering in a residential multiple occupancy building as long as the utility bill for the services is included in the rent for that unit. Each individually leased or owned occupancy unit must have individual metered service for other energy services and must directly receive the utility bill for those other services.
- PSC may authorize an electric or gas company to provide service for central heating or cooling systems to an occupancy unit or shopping center unit without individual metering or submetering if PSC is satisfied that the service will result in a substantial net savings of energy.

There is no State prohibition against master water meters in residential multiple occupancy units.

Background: The bill addresses an issue that can arise in condominiums, which are individually owned, if utility service is billed by a master meter. In such a case, a master meter bill may be due, but one or more occupancy units may have not paid. A recent case involving such a situation led to the eviction of residents at Lynnhill Condominiums in Prince George's County.

Local Fiscal Effect:

Task Force on the Use of Master Meters for Utility Services in Prince George's County

Expenditures for Prince George's County increase by \$74,000 in fiscal 2019 only, which accounts for a 30-day start-up delay. This estimate is based on information provided by the county and reflects the cost of (1) procuring contractual services to study master metering and related issues in the county and (2) holding task force meetings (including costs for communications, meeting space, and refreshments). The estimate assumes that existing county staff contribute to the work of the task force. Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing budgeted resources.

Washington Suburban Sanitary Commission

Water/sewer service is provided by WSSC in Prince George's County, except for residents and businesses receiving services from a municipality or those on well and septic systems. Currently, WSSC installs a single master meter in residential multiple occupancy units. Going forward, WSSC must install individual meters in new and converted condominium and similar units, as required, and also bill those meters. WSSC advises that it needs to amend its plumbing and fuel gas code, as well as alter the permitting process and fee structure to comply with the bill. Therefore, given the effective date of the bill, WSSC revenues and expenditures increase beginning as early as fiscal 2018. The amount cannot be reliably estimated at this time.

Small Business Effect: Small businesses involved in the construction of and/or conversion to condominiums and similar multiunit residential housing in Prince George's County must ensure that each unit is individually metered for each utility service. This likely represents an increased cost of construction/conversion for these companies.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission; Prince George's County; Washington Suburban Sanitary Commission; Department of Legislative Services

Fiscal Note History: First Reader - January 23, 2018
md/lgc Third Reader - March 17, 2018
Revised - Amendment(s) - March 17, 2018
Revised - Updated Information - March 17, 2018

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510