

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 220
(Delegate Charkoudian)
Environment and Transportation

Environment - Water - Individual Unit Meters

This bill authorizes owners, operators, or managers (or contractors hired by owners, operators, or managers) to install individual unit water meters for apartments and dwelling units. An owner (or agent) that uses the installed meters to provide bulk water service is prohibited from imposing any water or sewerage cost on a unit other than the actual charges imposed by the water service provider. Among other provisions, the bill also (1) requires an owner (or agent) to maintain certain records and (2) prohibits any unpaid water bills from being considered as unpaid rent in an eviction proceeding.

Fiscal Summary

State Effect: The bill's requirements can be handled with existing budgeted resources. Revenues are not materially affected.

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

Small Business Effect: Minimal.

Analysis

Bill Summary:

Definitions

“Apartment house” means one or more buildings that each contain more than two dwelling units and in which all the dwelling units are occupied primarily for nontransient use with rent paid at intervals of one week or longer. This includes a residential condominium or cooperative, whether the units are rented or owner occupied.

“Individual unit meter” means equipment used to determine the actual use of water for each residential unit in an apartment house.

“Adequate records” includes:

- a copy of all charges that the water service provider imposed on the owner, operator, or manager of an apartment house in the preceding two years;
- the total utility cost imposed on all units in the facility each month for the current calendar year and previous calendar year;
- the total revenue collected from occupants to pay the charges imposed on the owner, operator, or manager by the water service provider each month for the current calendar year and previous calendar year;
- an explanation of the formula used to allocate the cost of each unit’s water consumption; and
- any other information necessary for a tenant to verify a water utility bill.

Water Meter Installation, Billing, and Administrative Fees

The bill authorizes local housing authorities to install individual unit meters for apartment houses or dwelling units, provided they have approval from the Department of Housing and Community Development (DHCD). In addition, the bill authorizes owners or their agents to install individual meters within each unit that is not individually metered for water to allocate fairly the cost of each unit’s water consumption.

During the use of individual meters for bulk-metered service, the owner (or agent) is prohibited from charging a unit more than the actual costs imposed by the water service provider. The imposed charges must be allocated among units in proportion to their actual usage. An owner (or agent) is also prohibited from charging a unit for (1) costs resulting from leaks or poor maintenance that are the responsibility of the owner (or agent) and (2) water used in common areas.

The bill also prohibits an owner or agent from charging more than \$1 per unit per month to cover billing or other administrative fees.

Meter Standards

The bill requires that meters installed under the bill are subject to certain regulations adopted by the Maryland Department of the Environment in consultation with DHCD. The regulations must be at least as stringent as the standards applied to meters installed by water service providers.

The bill also requires that (1) each individual unit meter must include a leak detection monitor and (2) owners or their agents must allow occupants to periodically inspect the leak detection monitor.

Recordkeeping and Complaint Procedures

Owners or their agents must maintain adequate records for individual meters and allow occupants to inspect these records during reasonable business hours.

Occupants may file complaints against owners (or agents) in the county or municipality where the apartment house is located. The bill also authorizes complaints to be handled by local landlord-tenant commissions or, if no local commission exists (or has appropriate jurisdiction), by the local consumer protection agency. If neither local option is available, the Consumer Protection Division of the Office of the Attorney General may handle the complaint.

Current Law: Section 7-303 of the Public Utilities Article includes similar provisions regarding the use of “submetering,” which is the installation of equipment to determine the actual use of gas or electricity for each residential unit in an apartment house or commercial rental unit in an office building or shopping center.

The Real Property Article includes certain requirements related to notice and disclosure when landlords use a “ratio utility billing system,” which means the 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 (including electricity and water usage, among others).

For example, a landlord using a ratio utility billing system is required to provide prospective tenants with a written disclosure that contains specified information, including the following:

- a statement of which utilities will be billed via allocation;
- copies of the landlord’s last two utility bills and the average monthly bill for all units from the previous calendar year, by utility;
- a description of the method that will be used to calculate the tenant’s share;
- information on any administrative or service fees associated with the billing system; and
- a statement explaining that the tenant may inspect the landlord’s utility records and that all billing disputes are to be resolved between the landlord and the tenant.

If a landlord fails to provide the required written disclosures, any provision in the lease requiring the tenant to pay those utility charges is unenforceable.

In general, the landlord of a building with six or more residential dwelling units that requires a tenant to make payments for water, sewer, gas, or electric utility services to the landlord (and not directly to the service provider) must (1) use a written lease that provides notice that the tenant is responsible for making payments for those utility services to the landlord and (2) provide a copy of the water, sewer, gas, or electric bill to the tenant or a written report at the beginning of each lease term indicating the total cost for each utility type billed to the landlord during the previous year. These requirements, however, are not applicable if a landlord uses a ratio utility billing system.

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 and not directly to the service provider) 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.

Additional Information

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

Designated Cross File: SB 130 (Senator Henson) - Education, Energy, and the Environment.

Information Source(s): Charles, Montgomery, and Prince George's counties; Washington Suburban Sanitary Commission; Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Maryland Department of the Environment; Department of Housing and Community Development; Public Service Commission; Department of Legislative Services

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sj/jkb

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