First Regular Session Sixty-eighth General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 11-0698.01 Kate Meyer

HOUSE BILL 11-1214

HOUSE SPONSORSHIP

Gardner D.,

SENATE SPONSORSHIP

(None),

House Committees

Senate Committees

State, Veterans, & Military Affairs

A BILL FOR AN ACT

101 CONCERNING TRANSPARENCY IN THE ENERGY USE OF A RESIDENTIAL 102 DWELLING OFFERED FOR RENT.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

The bill requires a landlord to disclose to a potential tenant certain information regarding the energy use or efficiency of the dwelling unit offered for rent as follows:

! For a dwelling unit in a multi-family residence, beginning January 1, 2012, a landlord shall provide to a prospective

tenant the prorated average utility cost history for the potential tenant's dwelling unit;

! For a single-family residence, beginning January 1, 2014, a landlord shall display the residence's energy efficiency rating in a manner that is visible to all prospective tenants and shall disclose the residence's energy efficiency evaluation prior to finalizing a rental agreement.

The disclosures required under the bill apply only to residences for which a tenant is responsible for paying all or a portion of the gas or electric costs.

The bill directs the state housing board in the division of housing under the department of local affairs to promulgate rules, in consultation with the governor's energy office, to administer the disclosure requirements for single-family residences.

The bill tasks the public utilities commission (commission) with administering the disclosures required for multi-family residences. Buildings served by municipally owned utilities or cooperative electric associations that are exempt from the jurisdiction of the commission are exempt.

1 Be it enacted by the General Assembly of the State of Colorado:

2 **SECTION 1.** Part 5 of article 12 of title 38, Colorado Revised

3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to

4 read:

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5 **38-12-510.5.** Disclosure of energy consumption of dwelling

6 **unit - exceptions - rules - definitions.** (1) (a) A LANDLORD SHALL

7 DISCLOSE INFORMATION REGARDING THE NATURAL GAS AND ELECTRIC

CONSUMPTION OF A DWELLING UNIT IN ACCORDANCE WITH THIS SECTION

AND RULES PROMULGATED UNDER THIS SECTION.

(b) THE DISCLOSURES REQUIRED UNDER THIS SECTION ARE REQUIRED ONLY IF THE POTENTIAL TENANT IS RESPONSIBLE FOR PAYING ALL OR A PORTION OF THE NATURAL GAS OR ELECTRIC UTILITY COSTS.

(c) A LANDLORD SHALL NOT ASSESS ANY FEE OR CHARGE TO A PERSON IN CONNECTION WITH DISCLOSING THE INFORMATION REQUIRED

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2	(2) Multi-family residences. (a) (I) EXCEPT AS OTHERWISE
3	PROVIDED IN THIS SECTION, BEGINNING JANUARY 1, 2012, A LANDLORD OF
4	A MULTI-FAMILY RESIDENCE SHALL PREPARE AND PROVIDE TO A
5	PROSPECTIVE TENANT THE PRORATED AVERAGE UTILITY COST HISTORY
6	FOR THE POTENTIAL TENANT'S DWELLING UNIT BASED UPON THE SQUARE
7	FOOTAGE OF THE UNIT. THE COST HISTORY MUST COVER THE LIFE OF THE
8	UNIT OR THE PRECEDING TWO CALENDAR YEARS, WHICHEVER IS SHORTER.
9	(II) A LANDLORD SHALL PROVIDE THE AVERAGE UTILITY COST
10	HISTORY DESCRIBED UNDER THIS PARAGRAPH (a) PRIOR TO FINALIZING A
11	RENTAL AGREEMENT WITH A PROSPECTIVE TENANT.
12	(b) (I) IN ADDITION TO FURNISHING THE COST HISTORY DESCRIBED
13	UNDER PARAGRAPH (a) OF THIS SUBSECTION (2), UPON REQUEST OF A
14	POTENTIAL TENANT, A LANDLORD SHALL PROVIDE COPIES OF PAST
15	NATURAL GAS OR ELECTRICITY UTILITY BILLS FOR THE MULTI-FAMILY
16	RESIDENCE, IF THE LANDLORD MAY ACCESS THEM LEGALLY, OR A
17	SUMMARY OF THOSE BILLS.
18	(II) A LANDLORD WHO LACKS ALL OR PART OF THE NATURAL GAS
19	AND ELECTRICITY UTILITY BILLS SHALL REQUEST THE PUBLIC UTILITY TO
20	PROVIDE THE LANDLORD WITH THE RESIDENCE'S NATURAL GAS AND
21	ELECTRICITY BILLS, OR A SUMMARY OF THOSE BILLS, SUFFICIENT TO COVER
22	THE NATURAL GAS AND ELECTRIC COST HISTORY FOR THE LIFE OF THE
23	STRUCTURE OR FOR THE PRECEDING TWO YEARS, WHICHEVER IS SHORTER.
24	IF, AFTER MAKING THE REQUEST, A LANDLORD IS STILL UNABLE TO
25	FURNISH A PROSPECTIVE TENANT WITH A COMPLETE SET OF NATURAL GAS
26	AND ELECTRICITY BILLS OR A SUMMARY OF THE BILLS, THE LANDLORD

SHALL PROVIDE THE PROSPECTIVE TENANT WITH ANY PUBLIC UTILITY

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1	RECORDS OR SUMMARIES THAT THE LANDLORD WAS ABLE TO OBTAIN AND
2	SHALL INDICATE THE PERIODS OF TIME OR UTILITY SERVICES THAT ARE NOT
3	COVERED BY THE INCOMPLETE RECORDS OR SUMMARY.
4	(III) A LANDLORD WHO PROVIDES UTILITY BILLS OR SUMMARIES
5	UNDER THIS PARAGRAPH (b) SHALL DISCLOSE WHETHER, AND TO WHAT
6	EXTENT, THE RESIDENCE WAS OCCUPIED OR UNOCCUPIED FOR THE TIME
7	PERIODS REFLECTED IN THE BILLS OR SUMMARIES.
8	(c) (I) A PUBLIC UTILITY THAT RECEIVES A REQUEST FOR UTILITY
9	BILLS OR SUMMARIES UNDER PARAGRAPH (b) OF THIS SUBSECTION (2)
10	SHALL PROVIDE THE LANDLORD WITH EITHER DUPLICATE COPIES OF THE
11	BILLS OR WITH SUMMARIES THAT COVER THE LIFE OF THE STRUCTURE OR
12	THE PRECEDING TWO-YEAR PERIOD, WHICHEVER IS SHORTER, WITHIN TEN
13	DAYS AFTER RECEIVING THE REQUEST.
14	(II) A PUBLIC UTILITY MAY CHARGE A FEE OF FIFTEEN DOLLARS
15	FOR PROVIDING THE DUPLICATE COPIES OF NATURAL GAS AND ELECTRICITY
16	BILLS, OR A SUMMARY OF THE BILLS, TO A LANDLORD.
17	(III) A PUBLIC UTILITY THAT PROVIDES ELECTRICITY OR NATURAL
18	GAS TO MULTI-FAMILY RESIDENCES WITH AN ELECTRIC AND NATURAL GAS
19	COMPOSITE METERING DEVICE SHALL MAINTAIN RECORDS, SUFFICIENT TO
20	PROVIDE THE INFORMATION REQUIRED UNDER THIS SECTION, OF THE COST
21	OF UTILITY SERVICES PROVIDED FOR AT LEAST TWO CALENDAR YEARS.
22	$(d)\ The\ public\ utilities\ commission\ shall\ promulgate\ rules,$
23	INCLUDING RECORD RETENTION REQUIREMENTS AND UTILITY BILL
24	SUMMARY CRITERIA, NECESSARY TO ADMINISTER THIS SUBSECTION (2).
25	(e) (I) This subsection (2) does not apply to a multi-family
26	RESIDENCE SERVED BY A MUNICIPAL UTILITY, AS DEFINED IN SECTION
27	40-3.5-101, C.R.S., OR A COOPERATIVE ELECTRIC ASSOCIATION THAT HAS

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1	VOTED TO EXEMPT ITSELF FROM REGULATION PURSUANT TO SECTION
2	40-9.5-103, C.R.S.
3	(II) NOTHING IN THIS SUBSECTION (2) PROHIBITS THE GOVERNING
4	BODY OF A MUNICIPAL UTILITY, AS DEFINED IN SECTION 40-3.5-101,
5	C.R.S., OR A COOPERATIVE ELECTRIC ASSOCIATION THAT HAS VOTED TO
6	EXEMPT ITSELF FROM REGULATION PURSUANT TO SECTION 40-9.5-103,
7	C.R.S., FROM DEVELOPING ITS OWN PROGRAMS TO EVALUATE AND RATE
8	OBJECTIVELY THE ENERGY EFFICIENCY OF RESIDENCES IT SERVES.
9	(3) Single-family residences. (a) EXCEPT AS OTHERWISE
10	PROVIDED IN THIS SECTION, BEGINNING JANUARY 1, 2014, THE LANDLORD
11	OF A SINGLE-FAMILY RESIDENCE SHALL DISCLOSE THE UNIT'S MOST RECENT
12	ENERGY EFFICIENCY RATING AND ENERGY EFFICIENCY EVALUATION TO A
13	PROSPECTIVE TENANT.
14	(b) THE LANDLORD SHALL MAKE THE DISCLOSURE BY:
15	(I) DISPLAYING, IN A CONSPICUOUS LOCATION VISIBLE TO ALL
16	POTENTIAL TENANTS, THE MOST RECENT ENERGY EFFICIENCY RATING; AND
17	(II) PROVIDING TO A POTENTIAL TENANT A WRITTEN COPY OF THE
18	COMPLETE ENERGY EFFICIENCY EVALUATION PRIOR TO FINALIZING A
19	RENTAL AGREEMENT.
20	(c) The information provided under this subsection (3)
21	MUST CONFORM TO RULES PROMULGATED, AND BE MADE ON A FORM
22	DEVELOPED OR APPROVED, BY THE STATE HOUSING BOARD UNDER SECTION
23	24-32-707, C.R.S.
24	(4) As used in this section, unless the context otherwise
25	REQUIRES:
26	(a) "Energy efficiency evaluation" means the complete
27	EVALUATION OF A RESIDENCE'S ENERGY CONSUMPTION AND RELATIVE

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1	EFFICIENCY, BASED ON THE RESIDENCE'S STRUCTURE AND INTERNAL
2	COMPONENTS AND IN ACCORDANCE WITH RULES PROMULGATED UNDER
3	SECTION 24-32-707, C.R.S. AN EVALUATION MAY BE BASED ON THE
4	UTILITY COST HISTORY AND THE RELEVANT STRUCTURE AND COMPONENTS
5	OF THE BUILDING, SUCH AS THE EFFICIENCY LEVELS OF WATER HEATERS,
6	FURNACES, WINDOWS, AND WALL INSULATION.
7	(b) "ENERGY EFFICIENCY RATING" MEANS THE NUMERICAL SCORE
8	GENERATED UNDER THE SYSTEM DEVELOPED OR APPROVED UNDER
9	SECTION 24-32-707, C.R.S., CONVEYING THE DWELLING UNIT'S ENERGY
10	EFFICIENCY.
11	(c) (I) "MULTI-FAMILY RESIDENCE" MEANS IMPROVED REAL
12	PROPERTY THAT:
13	(A) IS USED OR INTENDED TO BE USED AS A RESIDENCE;
14	(B) CONTAINS MORE THAN ONE DWELLING UNIT; AND
15	(C) IS EQUIPPED WITH A CENTRAL METER FOR ELECTRICITY,
16	NATURAL GAS, OR BOTH, OR OTHER COMPOSITE METERING DEVICE.
17	(II) "MULTI-FAMILY RESIDENCE" INCLUDES A CONDOMINIUM OR
18	COOPERATIVE.
19	(d) "PUBLIC UTILITIES COMMISSION" MEANS THE PUBLIC UTILITIES
20	COMMISSION CREATED IN SECTION 40-2-101, C.R.S.
21	(e) "PUBLIC UTILITY" MEANS A PUBLIC UTILITY THAT PROVIDES
22	GAS, ELECTRIC, OR GAS AND ELECTRIC SERVICE IN THE STATE.
23	(f) "SINGLE-FAMILY RESIDENCE" MEANS A DWELLING UNIT THAT
24	IS USED FOR A SINGLE FAMILY OR THAT HAS AN INDIVIDUAL NATURAL GAS
25	OR ELECTRICITY METER OR METERING DEVICE.
26	(g) "STATE HOUSING BOARD" MEANS THE STATE HOUSING BOARD
27	WITHIN THE DIVISION OF HOUSING CREATED UNDER SECTION 24-32-706.

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2 **SECTION 2.** 24-32-707, Colorado Revised Statutes, is amended

3 BY THE ADDITION OF A NEW SUBSECTION to read:

4 **24-32-707. Powers of board.** (4) (a) THE BOARD SHALL PROMULGATE RULES TO ADMINISTER SECTION 38-12-510.5 (3), C.R.S.

- 6 (b) (I) THE RULES REQUIRED UNDER PARAGRAPH (a) OF THIS 7 SUBSECTION (4) MUST INCLUDE ESTABLISHING A PROCESS OR 8 METHODOLOGY TO EVALUATE AND RATE THE RELATIVE NATURAL GAS AND 9 ELECTRICITY USE, COST, AND EFFICIENCY OF RESIDENTIAL BUILDINGS IN 10 THE STATE. IN DEVELOPING THE ENERGY EFFICIENCY EVALUATION 11 PROCESS AND RATINGS, THE BOARD SHALL CONSULT WITH THE 12 GOVERNOR'S ENERGY OFFICE CREATED IN SECTION 24-38.5-101. THE 13 BOARD SHALL CONSIDER WHETHER AND HOW TO REQUIRE USE OF THE 14 NATIONAL HOME ENERGY RATING SYSTEM, THE BUILDING PERFORMANCE 15 INSTITUTE ENERGY AUDIT PROCESS, AND THE UNITED STATES 16 DEPARTMENT OF ENERGY'S HOME ENERGY SCORE, OR THEIR SUCCESSOR 17 PROGRAMS. THE BOARD SHALL TAKE INTO ACCOUNT USEFULNESS, 18 PRACTICALITY, AND COST IN PROVIDING ENERGY EFFICIENCY 19 EVALUATIONS AND RATINGS.
 - (II) A BUILDING SUBJECT TO SECTION 38-12-510.5, C.R.S., MUST BE RATED FOR ENERGY EFFICIENCY AT LEAST ONCE EVERY FIVE YEARS, AND UPON REQUEST FROM A LANDLORD FOLLOWING CHANGES THAT ARE LIKELY TO ALTER THE BUILDING'S ENERGY EFFICIENCY.
 - (c) (I) THE BOARD MAY DEVELOP ENERGY EVALUATION AND ENERGY RATING FORMS OR MAY SPECIFY THE MINIMUM CRITERIA THAT A LANDLORD MAY USE TO COMPLY WITH THE REQUIREMENT TO FURNISH AN ENERGY EFFICIENCY RATING OR EVALUATION UNDER SECTION 38-12-510.5

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1	(2) (b), C.R.S.
2	(II) THE BOARD SHALL APPROVE ALTERNATIVE FORMS AND
3	RATINGS DEVELOPED BY FEDERAL, STATE, OR LOCAL GOVERNMENTAL
4	ENTITIES, UTILITIES, OR THIRD-PARTY ENERGY EFFICIENCY AUDITORS THAT
5	PROVIDE, AT A MINIMUM, THE INFORMATION REQUIRED UNDER SECTION
6	38-12-510.5, C.R.S.; EXCEPT THAT A THIRD-PARTY AUDITOR MUST BE
7	APPROVED BY THE RESIDENTIAL ENERGY SERVICES NETWORK OR ITS
8	SUCCESSOR ENTITY OR AN APPROPRIATE ACCREDITING FEDERAL, STATE, OR
9	LOCAL GOVERNMENTAL ENTITY.
10	SECTION 3. Article 2 of title 40, Colorado Revised Statutes, is
11	amended BY THE ADDITION OF A NEW SECTION to read:
12	40-2-130. Rules regarding energy use disclosure to prospective
13	tenants of multi-family residences - notification to affected utilities.
14	(1) THE COMMISSION SHALL PROMULGATE RULES NECESSARY TO
15	ADMINISTER SECTION 38-12-510.5 (2), C.R.S. THE RULES MUST INCLUDE
16	RECORD RETENTION REQUIREMENTS FOR A PUBLIC UTILITY SUBJECT TO
17	SECTION 38-12-510.5 (2), C.R.S., AND THE MINIMUM INFORMATION THAT
18	A UTILITY MUST PROVIDE TO A LANDLORD TO CONSTITUTE AN ADEQUATE
19	UTILITY COST SUMMARY UNDER SECTION $38-12-510.5$ (2) (b), C.R.S. The
20	COMMISSION MAY DEVELOP A STANDARDIZED PROCESS OR FORM THAT A
21	PUBLIC UTILITY MAY USE TO FURNISH THE REQUIRED INFORMATION.
22	(2) Prior to January 1, 2012, the commission shall notify
23	ALL PUBLIC UTILITIES SUBJECT TO SECTION 38-12-510.5, C.R.S., OF THE
24	REQUIREMENTS OF THAT SECTION, INCLUDING THE OBLIGATION TO
25	MAINTAIN AND PROVIDE NATURAL GAS AND ELECTRICITY BILLS, OR
26	SUMMARIES THEREOF, UNDER THIS SECTION.
27	SECTION 4. Act subject to petition - effective date. This act

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shall take effect at 12:01 a.m. on the day following the expiration of the 1 2 ninety-day period after final adjournment of the general assembly (August 3 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a 4 referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act 5 6 within such period, then the act, item, section, or part shall not take effect 7 unless approved by the people at the general election to be held in 8 November 2012 and shall take effect on the date of the official 9 declaration of the vote thereon by the governor.

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