

HOUSE BILL No. 1541

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-31-8.

Synopsis: Utility service to rental premises. Amends the statute concerning a landlord's obligations under a residential rental agreement to include within those obligations the duty to remain current on all bills for utility service to the rental premises (other than for utility service for which a tenant is responsible for paying under the rental agreement or state law). Provides that a landlord that: (1) offers for rent at least 100 rental units that are part of one or more structures that: (A) are located on the same parcel of property or on contiguous parcels of property; and (B) are master metered for one or more utility services; and (2) fails to meet this new obligation; may not file or prosecute an eviction action for nonpayment of rent against a tenant of the rental premises until the delinquency for utility service provided to the rental premises has been cured. Requires the Indiana housing and community development authority (authority) to do the following not later than August 31, 2023: (1) Designate itself to serve as, or contract to provide, an escrow agent to whom a tenant of a rental premises for which the landlord has failed to meet this new obligation, resulting in a utility bill that is at least 60 days past due, may pay rent until the delinquency has been cured. (2) In collaboration with the Indiana utility regulatory commission (IURC), create a form that: (A) is accessible on the authority's website and the IURC's website; and (B) allows a utility to: (i) report the delinquency; and (ii) request that the designated escrow
(Continued next page)

Effective: July 1, 2023.

Soliday

January 19, 2023, read first time and referred to Committee on Utilities, Energy and Telecommunications.



Digest Continued

agent perform certain duties with respect to the delinquency. Provides that a utility that submits a form to report a delinquency and request the services of the escrow agent must provide to the tenants, through conspicuous signage placed within the utility's property rights on the affected parcels, notice of the landlord's delinquency and of a tenant's right to pay rent to the escrow agent, instead of the landlord, until the delinquency for utility service is cured. Specifies the duties of the escrow agent with respect to: (1) collecting rent from tenants; (2) paying collected rent to the utility; (3) paying remaining amounts of collected rent to the landlord upon the delinquency being cured; (4) reporting to the landlord, the utility, the authority, and the IURC certain collection and payment data on a monthly basis; and (5) providing a final accounting and notice once the delinquency has been cured and the escrow has been closed.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1541

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-31-8-3.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2023]: **Sec. 3.5. As used in this chapter, "utility" means a:**
4 (1) **public utility (as defined in IC 8-1-2-1(a));**
5 (2) **municipally owned utility (as defined in IC 8-1-2-1(h)),**
6 **including a wastewater utility operated under IC 36-9-23 or**
7 **IC 36-9-25;**
8 (3) **department of public utilities created by IC 8-1-11.1, or a**
9 **utility company owned, operated, or held in trust by a**
10 **consolidated city;**
11 (4) **not-for-profit utility (as defined in IC 8-1-2-125(a));**
12 (5) **cooperatively owned corporation;**
13 (6) **conservancy district established under IC 14-33; or**
14 (7) **regional district established under IC 13-26;**
15 **that provides utility service to the public.**
16 SECTION 2. IC 32-31-8-3.6 IS ADDED TO THE INDIANA CODE
17 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY



1, 2023]: **Sec. 3.6. As used in this chapter, "utility service" means:**

- 2 (1) **electric service;**
- 3 (2) **natural gas service;**
- 4 (3) **water service; or**
- 5 (4) **wastewater service;**

6 **that is provided by a utility at retail to residential customers in**
7 **Indiana.**

8 SECTION 3. IC 32-31-8-5 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. A landlord shall do
10 the following:

- 11 (1) Deliver the rental premises to a tenant in compliance with the
12 rental agreement, and in a safe, clean, and habitable condition.
- 13 (2) Comply with all health and housing codes applicable to the
14 rental premises.
- 15 (3) Make all reasonable efforts to keep common areas of a rental
16 premises in a clean and proper condition.
- 17 (4) Provide and maintain the following items in a rental premises
18 in good and safe working condition, if provided on the premises
19 at the time the rental agreement is entered into:
 - 20 (A) Electrical systems.
 - 21 (B) Plumbing systems sufficient to accommodate a reasonable
22 supply of hot and cold running water at all times.
 - 23 (C) Sanitary systems.
 - 24 (D) Heating, ventilating, and air conditioning systems. A
25 heating system must be sufficient to adequately supply heat at
26 all times.
 - 27 (E) Elevators, if provided.
 - 28 (F) Appliances supplied as an inducement to the rental
29 agreement.

30 **(5) Remain current on all bills for utility service to the rental**
31 **premises, other than for utility service with respect to which**
32 **a tenant of the rental premises is responsible for paying**
33 **under:**

- 34 (A) **the rental agreement; or**
- 35 (B) **IC 8-1.5-3-8(j).**

36 SECTION 4. IC 32-31-8-5.5 IS ADDED TO THE INDIANA CODE
37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
38 1, 2023]: **Sec. 5.5. (a) This section applies to a landlord that:**

- 39 (1) **offers for rent at least one hundred (100) rental units that**
40 **are part of one (1) or more structures that:**
 - 41 (A) **are located on the same parcel of property or on two**
 - 42 (2) **or more contiguous parcels of property; and**



- 1 **(B) are master metered for one (1) or more utility services;**
 2 **and**
 3 **(2) fails to meet the landlord's obligation under section 5(5) of**
 4 **this chapter with respect to one (1) or more of the structures**
 5 **described in subdivision (1).**
 6 **(b) As used in this section, "authority" refers to the Indiana**
 7 **housing and community development authority created by**
 8 **IC 5-20-1-3.**
 9 **(c) As used in this section, "commission" refers to the Indiana**
 10 **utility regulatory commission created by IC 8-1-1-2.**
 11 **(d) As used in this section, "eviction action" has the meaning set**
 12 **forth in IC 32-31-10-2.**
 13 **(e) A landlord to whom this section applies may not file or**
 14 **prosecute an eviction action for nonpayment of rent against a**
 15 **tenant of a rental premises (as defined in section 3 of this chapter)**
 16 **with respect to which the landlord has failed to meet the landlord's**
 17 **obligation under section 5(5) of this chapter until the delinquency**
 18 **for utility service provided to the rental premises has been cured.**
 19 **(f) Not later than August 31, 2023, the authority shall:**
 20 **(1) serve as, or contract to provide, an escrow agent to whom**
 21 **a tenant of a rental premises (as defined in section 3 of this**
 22 **chapter) with respect to which the landlord has failed to meet**
 23 **the landlord's obligation under section 5(5) of this chapter,**
 24 **resulting in a utility bill for the rental premises that is at least**
 25 **sixty (60) days past due, may pay rent until the delinquency**
 26 **for utility service provided to the rental premises has been**
 27 **cured; and**
 28 **(2) in collaboration with the commission, create a form that:**
 29 **(A) is accessible on the authority's website and the**
 30 **commission's website; and**
 31 **(B) allows a utility to:**
 32 **(i) report to the authority and the commission a**
 33 **delinquency described in subdivision (1); and**
 34 **(ii) request that the escrow agent described in**
 35 **subdivision (1) perform the duties described in**
 36 **subsection (i).**
 37 **(g) A utility that provides utility service to a rental premises:**
 38 **(1) that is described in subsection (a)(1); and**
 39 **(2) with respect to which the landlord has failed to meet the**
 40 **landlord's obligation under section 5(5) of this chapter,**
 41 **resulting in a utility bill for the rental premises that is at least**
 42 **sixty (60) days past due;**



1 may, on the form made available under subsection (f)(2), provide
 2 notice of the delinquency to the authority and the commission, and
 3 request that the escrow agent described in subsection (f)(1)
 4 perform the duties described in subsection (i).

5 (h) A utility that submits a form to the authority and the
 6 commission under subsection (g) shall provide notice of the
 7 following to the tenants of the affected rental premises through
 8 conspicuously placed signs within the utility's property rights on
 9 the one (1) or more parcels on which the affected rental premises
 10 are located:

11 (1) That the landlord has not paid for utility service to the
 12 rental premises.

13 (2) That utility service is subject to being shut off for
 14 nonpayment.

15 (3) That a tenant of the rental premises has the right to pay
 16 the tenant's rent to the escrow agent described in subsection
 17 (f)(1), instead of to the landlord, until the delinquency for
 18 utility service provided to the rental premises has been cured.

19 (4) That a tenant of the rental premises may not be evicted for
 20 nonpayment of rent if rent is paid to the escrow agent
 21 described in subsection (f)(1) while the landlord's delinquency
 22 with the utility remains outstanding.

23 (5) The contact phone number and address for the escrow
 24 agent described in subsection (f)(1).

25 (i) The escrow agent described in subsection (f)(1) shall do the
 26 following:

27 (1) Accept evidence of and verify a delinquency reported by
 28 a utility under subsection (g).

29 (2) Collect rent paid by tenants while a verified delinquency
 30 remains outstanding.

31 (3) Pay any rent collected under subdivision (2) to the utility
 32 until the delinquency is cured.

33 (4) Upon the delinquency being cured, pay any remaining
 34 amount of the rent collected to the landlord.

35 (5) Notify the landlord, the utility, the authority, and the
 36 commission of the following on a monthly basis:

37 (A) Which tenants paid rent to the escrow agent.

38 (B) The amount of the delinquency that has been cured by
 39 payment to the utility through the escrow agent.

40 (C) The amount of money, if any, that has been paid to the
 41 landlord through the escrow agent.

42 (6) Provide a final accounting and notice to the landlord, the



1 **utility, the authority, and the commission once the**
2 **delinquency has been cured and the escrow has been closed.**

