

HOUSE BILL 545

N1

6lr0723

By: **Delegate Lafferty**

Introduced and read first time: February 3, 2016

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant – Water and Wastewater Charges – Prohibition on Ratio**
3 **Utility Billing Systems**

4 FOR the purpose of prohibiting a landlord on or after a certain date from using a ratio
5 utility billing system to charge a tenant for the cost of certain water and wastewater
6 utilities under certain circumstances; imposing certain limits on charges for certain
7 water and wastewater utilities if a landlord charges a tenant separately for utilities;
8 providing that a landlord that violates this Act is liable for certain damages and
9 attorney’s fees; providing for the application of this Act; defining certain terms; and
10 generally relating to charging tenants for water and wastewater.

11 BY adding to
12 Article – Real Property
13 Section 8–212.4
14 Annotated Code of Maryland
15 (2015 Replacement Volume)

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

18 **Article – Real Property**

19 **8–212.4.**

20 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (2) “LANDLORD” MEANS:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (I) AN OWNER OF RESIDENTIAL RENTAL PROPERTY THAT
2 OFFERS MORE THAN FOUR DWELLING UNITS FOR RENT ON ONE PARCEL; OR

3 (II) A PERSON ACTING ON BEHALF OF A LANDLORD.

4 (3) "RATIO UTILITY BILLING SYSTEM" MEANS ALLOCATING ONE OR
5 MORE OF A LANDLORD'S AGGREGATE UTILITY CHARGES BY USING ONE OR MORE OF
6 THE FOLLOWING METHODS:

7 (I) PER TENANT;

8 (II) PROPORTIONATELY BY LIVABLE SQUARE FOOTAGE;

9 (III) PER TYPE OF UNIT;

10 (IV) PER NUMBER OF WATER FIXTURES; OR

11 (V) BY ANY OTHER METHOD THAT ALLOCATES THE
12 LANDLORD'S AGGREGATE UTILITY CHARGES AMONG THE TENANTS AND DOES NOT
13 MEASURE ACTUAL PER TENANT USAGE.

14 (4) "UTILITIES" MEANS WATER CONSUMPTION OR USAGE AND
15 WASTEWATER OR SEWAGE USE.

16 (B) (1) THIS SECTION DOES NOT APPLY IN A COUNTY THAT, ON OR
17 BEFORE JULY 1, 2016, HAS ADOPTED A LOCAL ORDINANCE CONCERNING RATIO
18 UTILITY BILLING SYSTEMS FOR WATER CONSUMPTION OR USAGE AND WASTEWATER
19 OR SEWAGE USE.

20 (2) THIS SECTION DOES NOT APPLY TO RESIDENTIAL RENTAL
21 PROPERTY IN:

22 (I) A CONDOMINIUM ORGANIZED UNDER TITLE 11 OF THIS
23 ARTICLE; OR

24 (II) A COOPERATIVE HOUSING CORPORATION ORGANIZED
25 UNDER TITLE 5, SUBTITLE 6A OF THE CORPORATIONS AND ASSOCIATIONS
26 ARTICLE.

27 (C) (1) ON OR AFTER JANUARY 1, 2017, A LANDLORD MAY NOT USE A
28 RATIO UTILITY BILLING SYSTEM TO CHARGE A TENANT FOR THE COST OF UTILITIES.

1 **(2) (I) IF A LANDLORD CHARGES A TENANT SEPARATELY FOR**
2 **UTILITIES, THE TENANT MAY NOT BE CHARGED MORE THAN THE ACTUAL COST FOR**
3 **THE UTILITIES USED, PLUS AN ADMINISTRATIVE FEE NOT EXCEEDING \$2.00 FOR**
4 **EACH BILLING.**

5 **(II) A CHARGE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH**
6 **SHALL BE BASED ON THE TENANT’S ACTUAL USAGE OF THE UTILITIES.**

7 **(D) A LANDLORD THAT VIOLATES SUBSECTION (C) OF THIS SECTION IS**
8 **LIABLE TO THE TENANT AFFECTED BY THE VIOLATION FOR:**

9 **(1) THE GREATER OF:**

10 **(I) THE TOTAL AMOUNT OF ALL DAMAGES PROXIMATELY**
11 **CAUSED BY THE VIOLATION; OR**

12 **(II) \$1,000 PER VIOLATION; AND**

13 **(2) REASONABLE ATTORNEY’S FEES.**

14 **(E) THIS SECTION DOES NOT PROHIBIT A LANDLORD FROM RECOVERING**
15 **THE COSTS OF UTILITIES DESCRIBED IN SUBSECTION (C) OF THIS SECTION BY**
16 **INCLUDING THE COSTS IN THE FIXED PERIODIC RENT OR LEASE PAYMENT.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2016.