



HOUSE BILL 432: Water/Sewer to Contiguous Dwelling Units.

2019-2020 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	June 18, 2019
Introduced by:	Reps. Shepard, Grange, Hurley, Hardister	Prepared by:	Shawn Middlebrooks
Analysis of:	Second Edition		Staff Attorney*

OVERVIEW: *House Bill 432 would provide that if the Utilities Commission (Commission) approves a flat rate to be charged by a water or sewer utility for the provision of water or sewer services to contiguous dwelling units of leased premises, the lessor may pass through and charge the tenants of the contiguous dwelling units the same flat rate for water or sewer services, rather than a rate based on metered consumption.*

CURRENT LAW:

The Commission is authorized by statute to adopt procedures that, for the purpose of encouraging water conservation, allow a lessor of leased premises to charge for the costs of providing water or sewer service to persons who occupy the leased premises subject to certain requirements, including the following;

- All charges for water or sewer service must be based on the user's metered consumption of water, and the rate charged by the lessor must not exceed the unit consumption rate charged by the supplier of the service.
- If the leased premises are contiguous dwelling units built prior to 1989, and the lessor determines that the measurement of the lessee's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the lessee using equipment that measures the lessee's hot water usage.

Lessors are authorized to charge a reasonable administrative fee for providing water or sewer service not to exceed a maximum administrative fee established by the Commission.

BILL ANALYSIS: House Bill 432 would provide that (notwithstanding the requirement under current law that charges for water or service to persons who occupy a leased premise be based on the user's metered consumption of water) if the Commission approves a flat rate to be charged by a water or sewer utility for the provision of water or sewer services to contiguous dwelling units of leased premises, the lessor may pass through and charge the tenants of the contiguous dwelling units the same flat rate for water or sewer services, rather than a rate based on metered consumption.

EFFECTIVE DATE: This bill would be effective when it becomes law.

**Committee Counsel, Jennifer McGinnis and Kyle Evans, substantially contributed to this summary.*

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578