



# HOUSE BILL 243: Budget Technical Corrections, Sec. 20.13: Utilities/Landlord Water Reseller Changes

2021-2022 General Assembly

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<b>Committee:</b>		<b>Date:</b>	March 28, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Aaron McGlothlin Staff Attorney
<b>Analysis of:</b>	Sec. 20.13 of S.L. 2022-6		

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**OVERVIEW:** Section 20.13 of S.L. 2022-6 authorizes the Utilities Commission (Commission) to adopt procedures to allow a lessor of any leased residential premises to equally divide the amount of a water and sewer bill for a unit among all the lessees in the unit and bill each lessee accordingly.

*This section became effective March 17, 2022.*

**PRIOR LAW:** For the purpose of encouraging water conservation, G.S. 62-110(g) authorizes the Commission to adopt procedures that allow a lessor to charge for the costs of providing water or sewer service to persons who occupy a leased premises. The statute required that all charges for water or sewer service be based on the user's metered consumption of water, which must be determined by metered measurement of all water consumed.

G.S. 62-110(h) authorizes the Commission to adopt procedures that allow a lessor of a single-family dwelling, residential building, or multiunit apartment complex that has individually metered units for electric service in the lessor's name to charge for the actual costs of providing such service to each lessee. The statute allows, however, a lessor to equally divide the actual amount of the individual electric service bill for a unit among all the lessees in the unit and send one bill to each lessee. G.S. 62-110(i) provides similar authority with respect to natural gas service and billing.

**BACKGROUND:** The Commission has [determined](#) that based on the previously enacted wording of the statute that governs a lessor's provision of water or sewer service to lessees, a lessor cannot equally divide the actual amount of the water service bill for a unit among all the lessees in a unit and bill each lessee accordingly (as authorized under the statutes for lessors as it concerns electric or natural gas service), but rather a lessor must charge each lessee in a unit based on the lessee's meter consumption of water.

**BILL ANALYSIS:** This section authorizes the Commission to adopt procedures to allow a lessor of a leased residential premise to equally divide the amount of a water and sewer bill for a unit among all the lessees in the unit and bill each lessee accordingly.

The section further provides:

- That the amount charged must be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period.
- Each bill can include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission.
- The lessor cannot include the cost of water and sewer from any other unit or common area in a lessee's bill.

**EFFECTIVE DATE:** This section became effective March 17, 2022.

*\*Jennifer McGinnis, Staff Attorney, substantially contributed to this summary.*

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