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## **S.F. No. 4579 – Utility Billing in Shared-Metered Residential Buildings (A-4 Delete Everything Amendment)**

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### **Section 1 [Submetering in Single-Metered Residential Buildings]**

**Subd. 1 [Definitions]** defines various terms used in this section and in §§ 216B.023 and 216B.024, including:

- “Shared-metered residential building” means a residential building with multiple separate living units where the building’s utility service is measured by fewer meters than are placed in the separate living units. The term does not include a manufactured home park.
- “Utility provider” means a public utility, a municipal utility, or a cooperative electric association providing utilities.
- “Utility service” means natural gas and electricity.

**Subd. 2 [Submetering in Shared-Metered Residential Buildings]** makes a landlord who has installed submeters in a shared-metered residential building subject to the authority of the Public Utilities Commission (PUC) under Chapter 216B. Requires all submeters installed by a landlord in a shared-metered residential building to be certified to meet industry standards and to accurately measure utility service.

**Subd. 3 [Submetering in Nonresidential Buildings]** clarifies that nothing in Chapter 216B gives the commissioner or a public utility the authority to limit submetering to nonresidential buildings.

**Subd. 4 [Inaccurate Submeters]** requires a landlord to investigate submeters alleged by tenants in writing to be inaccurate. Overcharges must be refunded to the tenant and undercollections may be charged to the tenant.

**Subd. 5 [Fees Prohibited]** prohibits a landlord from charging any fee or other expense in connection with the installation, maintenance, repair, replacement, or reading of submeters, unless the expenses is due to the tenant's willful, malicious, or negligent conduct.

## **Section 2 [Billing; Consumer Protections]**

**Subd. 1 [Billing]** requires bills for submetered utilities to be based on actual submeter readings. Prohibits landlords from billing submetered tenants or tenants whose natural gas service is apportioned less frequently than the landlord is billed by the utility. Requires bills for utility service to include certain information.

**Subd. 2 [Separate Billing for Electricity]** prohibits landlords that bill tenants separately for electricity from using apportionment. Requires landlords to charge only for electricity used in the tenant's unit; prohibits charging for electricity used in common areas or by the landlord. Allows charging a pro rata share of fixed meter charges, service charges, taxes, etc. and requires pro rata sharing of any bill credits or adjustments.

**Subd. 3 [Separate Billing for Natural Gas]** requires landlords that apportion natural gas to comply with Section 504B.216, subdivision 4.

**Subd. 4 [Administrative Billing Charge]** authorizes a landlord that charges separately for utilities to charge a tenant a single administrative billing fee that does not exceed \$6.

**Subd. 5 [Billing Errors]** requires overcharges to be refunded to the tenant and authorizes undercollections to be charged to the tenant.

**Subd. 6 [Late Payment Charges]** authorizes a landlord to impose one late payment fee per billing period if the tenant's utility bill payment has not been received by the next scheduled billing date. Limits the late fee to 1.5% per monthly billing period delinquent.

**Subd. 7 [Payment Agreements]** requires a landlord to offer a payment agreement for the payment of utility arrears and requires the plan to be consistent with the tenant's financial circumstances and any extenuating circumstances of the household.

**Subd. 8 [Undercharges]** requires a landlord to offer a payment agreement to tenants who have been undercharged if no culpable conduct by the tenant or a member of the tenant's household caused the undercharge.

**Section 3 [Shared-Metered Residential Buildings; Dispute Resolution]** requires a tenant disputing a bill claiming a violation of §§ 216B.022 or 216B.023 to first attempt to resolve the dispute with the landlord, after which the landlord must notify the tenant of the tenant's right to file a complaint with the PUC's consumer affairs office.

**Section 4 [PUC Authority to Levy Fines]** clarifies that the PUC has authority to levy fines for violations of the statutes modified and enacted by §§ 1 through 3.

**Section 5 [Definitions Related to Complaints Before the PUC]** adds definitions of landlord, tenant, and related terms to the statutes that govern complaints and hearings related to public utilities before the PUC and brings disputes involving those parties under umbrella of the statute.

**Section 6 [Complaint Resolution Procedure Clarification]** clarifies that a complaint may be filed with the PUC only if the complainant is dissatisfied with the resolution proposed by the public utility or landlord.

## **Section 7 [Utility Service in Shared-Metered Residential Buildings]**

**Subd. 1 [Definitions]** adds definitions to the landlord and tenant chapter of Minnesota Statutes (Chapter 504B), many of which include cross-references to definitions enacted in Section 1 of the bill. In this section, “utility service” is defined to include natural gas, electricity, water, or sewer service.

**Subd. 2 [Landlord Is Bill Payer and Customer of Record]** requires the landlord of a shared-metered residential building to be the bill payer responsible for utility service provided to the building except where the landlord fails to pay the bill for utility service.

**Subd. 3 [Submetering]** requires a landlord to investigate submeters alleged by tenants in writing to be inaccurate. Overcharges must be refunded to the tenant and undercollections may be charged to the tenant.

**Subd. 4 [Apportionment]** prohibits apportionment of electricity service. Allows apportionment of natural gas usage based on square footage in the tenant’s unit pursuant to terms in a lease agreement. Prohibits charging for natural gas used by the landlord. Allows charging a pro rata share of fixed meter charges, service charges, taxes, etc. and requires pro rata sharing of any bill credits or adjustments. Allows apportionment of water and sewer charges under similar terms but requires apportionment to be based on a combination of the square footage in the tenant’s unit and the unit’s occupancy pursuant to terms in a lease agreement. Requires a landlord apportioning gas, water, or sewer service charges to provide similar terms to tenants as they are required to provide to tenants of shared-meter residential buildings.

**Subd. 5 [Disconnection of Utility Service Prohibited]** prohibits a landlord from disconnecting a tenant’s utility service for failure to pay utility service charges. Governs the circumstances in which a landlord may bring a claim for breach of a lease based.

**Subd. 6 [Procedure Where Landlord Defaults on Payments to the Utility]** requires utility providers to notify residents of the impending disconnection of utility service as a result of the landlord’s failure to pay for utility service and to provide them the opportunity to pay to have the service continued or reconnected.

**Subd. 7 [Limitations; Waiver Prohibited; Rights as Additional]** prohibits waiver of rights and clarify that willful, malicious, or negligent conduct is not protected.

**Subd. 8 [Additional Requirement]** requires landlords to inform tenants of potential savings available under the Low Income Home Energy Assistance program.

**Subd. 9 [Attorney General Authority]** authorizes the Attorney General to investigate violations of this section.

**Section 8 [Tenant’s Rights in Termination Action]** requires an action to terminate a tenancy for a tenant’s failure to pay for utility services to be stayed during the pendency of a complaint filed by

the tenant related to submetering. Provides requirements and limitations applicable to related contingencies.

**Section 9 [Repealer]** repeals a section of the landlord tenant chapter (504B) superseded by the statutory changes made in the bill.

**EFFECTIVE DATE.** Makes the bill effective January 1, 2025.