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S.F. No. 4579 – Utility Billing in Single-Metered Buildings (A-2 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:

- “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 [Limitation on Submetering] prohibits submetering in single-metered residential buildings except as authorized in this section. Makes a landlord who has installed submeters in a single-metered residential building subject to the authority of the Public Utilities Commission (PUC) under Chapter 216B. Requires landlords that bill tenants separately for submetered utility charges to provide prospective tenants with notice of monthly utility charges for the most recent calendar year.

Subd. 3 [Conditions for Submetering Beginning in 2025] beginning January 1, 2025, requires a landlord to request that a utility provider individually meter the residential building before submetering, unless the cost to the landlord of individually metering exceeds the cost of submetering. Requires that submeters meet certain requirements.

Subd. 4 [Meter Accuracy; repairs; replacement] requires submeters to accurately measure utility service and to be repaired and replaced by licensed professionals.

Subd. 5 [Filing Required] requires a landlord who submeters to file certain information with the PUC.

Subd. 6 [Inaccurate Submeters] requires a landlord to investigate submeters alleged by tenants in writing to be improperly registering the tenant's utility service usage. If inaccuracies exceed enumerated thresholds overcharges must be refunded to the tenant and undercollections may be charged to the tenant.

Subd. 7 [Fees Prohibited] prohibits a landlord from charging any fee or other expense in connection with the installation, maintenance, repair, replacement, or reading of submeters.

Subd. 8 [Violations] authorize the PUC to order a landlord who has materially violated this section more than once to cease submetering.

Section 2 [Billing; Dispute Resolution]

Subd. 1 [Billing Basis] requires utility bills provided by landlords to tenants to be based on actual submeter readings.

Subd. 2. [Billing Interval] requires bills for utility service to be provided to tenants monthly.

Subd. 3 [Billing Transparency] requires bills for utility service to include certain information about the period covered by the bill, the date of the reading, and various additional information.

Subd. 4 [Rates and Administrative Billing Fees] prohibits landlords that submeter from collecting from tenants more than the landlord is billed by the utility provider. Requires a landlord to deduct from bills the cost of electricity used for the landlord's own purposes.

Subd. 5 [Billing Errors] provides for a tenant to be refunded overcharges resulting from errors other than inaccurate submeters and allows a landlord to recover undercharges resulting from causes other than inaccurate submeters.

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 [Dispute Resolution Process] requires a tenant disputing a bill under this section or claiming a violation of §§ 216B.022 through 216B.024 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 3 [Consumer Protections for Tenants in Single-Metered Residential Buildings]

Subd. 1 [Budget Billing Plans] requires landlords that submeter to offer tenants a budget billing plan that divides annual utility service charges into 12 equal monthly payments.

Subd. 2. [Payment Agreements for Arrears] requires landlords to offer tenants a payment agreement for the payment of utility service arrears, which must take into account each tenant's financial circumstances and extenuating circumstances of the household.

Subd. 3 [Payment Agreement for Undercharges] requires landlords to offer tenants a payment agreement for the payment of undercharges and prohibits the charging of interest or fees as part of the agreement.

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 of Landlord and Tenant] 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.

Section 7 [Utility Service in Single-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, or water.

Subd. 2 [Landlord Is Bill Payer and Customer of Record] requires the landlord of a single-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 or where the landlord has lawfully submetered under the statutes enacted in §§ 1 through 3.

Subd. 3 [Submetering of Natural Gas, Electricity, and Water] prohibits a landlord from charging for natural gas or electricity separately from rent except where the landlord has lawfully submetered under the statutes enacted in §§ 1 through 3. Allows a landlord to charge for water service separately from rent only where the landlord has installed submeters that comply with standards established by the local municipal water company.

Subd. 4 [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 on failure to pay for utility service charges.

Subd. 5 [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. 6 [Limitations; Waiver Prohibited; Rights as Additional] prohibits waiver of rights and clarify that willful, malicious, or negligent conduct is not protected.

Subd. 7 [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) made superseded by the statutory changes made in the bill.

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