

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H.B. 844  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40515-LM-116A

Short Title: Utilities/Landlord Water Reseller Changes. (Public)

Sponsors: Representative Bradford.

Referred to:

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE UTILITIES COMMISSION TO ADOPT PROCEDURES TO ALLOW LESSORS WHO PROVIDE WATER AND SEWER SERVICE TO LESSEES IN A SINGLE-FAMILY DWELLING, RESIDENTIAL BUILDING, OR MULTIUNIT APARTMENT COMPLEX TO CHARGE FOR THE COST OF THE SERVICE IN THE SAME MANNER AS ELECTRIC SERVICE AND NATURAL GAS SERVICE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 62-110 reads as rewritten:

**"§ 62-110. Certificate of convenience and necessity.**

...

(g) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, for the purpose of encouraging water conservation, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of a single-family dwelling, residential building, or multiunit apartment complex to charge for the costs of providing water or sewer service to persons who occupy the leased premises. The following provisions shall apply:

(1) ~~All~~ Except as provided in subdivisions (1a), (1b), and (1c) of this subsection, all charges for water or sewer service shall be based on the user's metered consumption of water, which shall be determined by metered measurement of all water consumed. The rate charged by the lessor shall not exceed the unit consumption rate charged by the supplier of the service.

(1a) 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. In that case, each lessee shall be billed a percentage of the lessor's water and sewer costs for water usage in the dwelling units based upon the hot water used in the lessee's dwelling unit. The percentage of total water usage allocated for each dwelling unit shall be equal to that dwelling unit's individually submetered hot water usage divided by all submetered hot water usage in all dwelling units. The following conditions apply to billing for water and sewer service under this subdivision:

a. A lessor shall not utilize a ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.



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- 1                    b.        The lessor shall not include in a lessee's bill the cost of water and sewer
- 2                               service used in common areas or water loss due to leaks in the lessor's
- 3                               water mains. A lessor shall not bill or attempt to collect for excess
- 4                               water usage resulting from a plumbing malfunction or other condition
- 5                               that is not known to the lessee or that has been reported to the lessor.
- 6                    c.        All equipment used to measure water usage shall comply with
- 7                               guidelines promulgated by the American Water Works Association.
- 8                    d.        The lessor shall maintain records for a minimum of 12 months that
- 9                               demonstrate how each lessee's allocated costs were calculated for
- 10                               water and sewer service. Upon advanced written notice to the lessor, a
- 11                               lessee may inspect the records during reasonable business hours.
- 12                    e.        Bills for water and sewer service sent by the lessor to the lessee shall
- 13                               contain all the following information:
- 14                               1.        The amount of water and sewer services allocated to the lessee
- 15                                          during the billing period.
- 16                               2.        The method used to determine the amount of water and sewer
- 17                                          services allocated to the lessee.
- 18                               3.        Beginning and ending dates for the billing period.
- 19                               4.        The past-due date, which shall not be less than 25 days after
- 20                                          the bill is mailed.
- 21                               5.        A local or toll-free telephone number and address that the
- 22                                          lessee can use to obtain more information about the bill.

23            (1b)    Notwithstanding the provisions of subdivisions ~~(1) and (1a)-(1)~~, (1a), and (1c)

24                       of this subsection, if the Commission approves a flat rate to be charged by a

25                       water or sewer utility for the provision of water or sewer services to

26                       contiguous dwelling units, the lessor may pass through and charge the tenants

27                       of the contiguous dwelling units the same flat rate for water or sewer services,

28                       rather than a rate based on metered consumption, and an administrative fee as

29                       authorized in subdivision (2) of this subsection. Bills for water and sewer

30                       service sent by the lessor to the lessee shall contain all the information

31                       required by sub-sub-subdivisions e.2. through e.5. of subdivision (1a) of this

32                       subsection.

33            (1c)    The lessor may equally divide the amount of the water and sewer bill for a

34                       unit among all the lessees in the unit and may send one bill to each lessee. The

35                       amount charged shall be prorated when a lessee has not leased the unit for the

36                       same number of days as the other lessees in the unit during the billing period.

37                       Each bill may include an administrative fee up to the amount of the

38                       then-current administrative fee authorized by the Commission in Rule 18-6

39                       for water service and, when applicable, a late fee in an amount determined by

40                       the Commission. The lessor shall not charge the cost of water and sewer from

41                       any other unit or common area in a lessee's bill sent pursuant to this

42                       subdivision.

43            ...."

44            **SECTION 2.** This act becomes effective October 1, 2021.