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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4558

03/04/2024 Authored by Hollins and Youakim The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy

1.1 A bill for an act
1.2 relating to energy; providing for and regulating single-metered utility service in
1.3 residential buildings; amending Minnesota Statutes 2022, sections 216B.022;
1.4 504B.285, subdivision 4; Minnesota Statutes 2023 Supplement, section 216B.172,
1.5 subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters
1.6 216B; 504B; repealing Minnesota Statutes 2022, section 504B.215.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. 216B.021 ELECTION BY LANDLORDS OF SINGLE-METERED
1.9 RESIDENTIAL BUILDINGS TO BE SUBJECT TO COMMISSION AUTHORITY.

1.10 Subdivision 1. Definitions. (a) For the purposes of this section to section 216B.024, the
1.11 following terms have the meanings given.

1.12 (b) "Directly meter" means a device, installed by a utility in one or more units in a
1.13 multifamily residential building, that:

1.14 (1) is owned, read, and maintained by a utility;

1.15 (2) measures electricity or natural gas consumption in a tenant's dwelling unit; and

1.16 (3) constitutes the basis for a utility to directly bill a tenant.

1.17 (c) "Landlord" has the meaning given in section 504B.216, subdivision 1.

1.18 (d) "Single-metered residential building" has the meaning given in section 504B.216,
1.19 subdivision 1.

1.20 (e) "Submeter" means a meter in a single-metered residential building that is owned by
1.21 a landlord and installed by the landlord or by a third party at the landlord's request, and that

2.1 measures electricity or natural gas consumption solely within an individual dwelling unit
2.2 in the building.

2.3 (f) "Submetering" means installing or using a submeter and charging or billing the tenant
2.4 for utility service separately from rent.

2.5 (g) "Tenant" means a person who is occupying a dwelling unit in a residential building
2.6 under a lease or contract, whether oral or written, and all other regular occupants of the
2.7 tenant's dwelling unit.

2.8 (h) "Third-party billing agent" means a person or entity other than the property owner
2.9 that handles utility billing and collections, submeter readings, and any other utility
2.10 management services at a single-metered residential building.

2.11 (i) "Utility" means a public utility, a municipal utility, or a cooperative electric
2.12 association.

2.13 (j) "Utility service" means electricity or natural gas.

2.14 Subd. 2. **Election.** (a) Notwithstanding section 216B.02, subdivision 4, a landlord of a
2.15 single-metered residential building may elect to become subject to the commission's authority,
2.16 as provided in this section to section 216B.024.

2.17 (b) A landlord who does not elect to become subject to the commission's authority is
2.18 prohibited from submetering.

2.19 Subd. 3. **Registration; fee.** (a) A landlord who elects to be subject to the commission's
2.20 authority must register with the commission by submitting registration on a form developed
2.21 by the commission. The registration form must contain:

2.22 (1) the name of the landlord and, if any, the property manager and third-party billing
2.23 agent;

2.24 (2) the physical address of the landlord, which must not be a post office box, and the
2.25 landlord's telephone number and email address;

2.26 (3) the residential building or buildings owned or operated by the landlord that are
2.27 submetered or that the landlord intends to submeter, including the number of units in each
2.28 building; and

2.29 (4) any other information the commission deems necessary.

2.30 (b) A landlord who elects to be regulated by the commission must pay an initial
2.31 registration fee and an annual registration fee thereafter. The initial and annual fees must
2.32 be established by the commission and must be sufficient to cover the commission's costs

3.1 to implement this section to section 216B.024. Failure to pay the fee results in temporary
3.2 suspension or permanent termination, as determined by the commission, of the landlord's
3.3 right to bill tenants for utility service measured through a submeter.

3.4 **EFFECTIVE DATE.** This section is effective January 1, 2025.

3.5 Sec. 2. Minnesota Statutes 2022, section 216B.022, is amended to read:

3.6 **216B.022 SUBMETERING IN SINGLE-METERED RESIDENTIAL BUILDINGS.**

3.7 Subdivision 1. **Conditions of submetering.** Nothing in this chapter grants the commission
3.8 or a public utility the authority to limit the availability of (a) Submetering to a building
3.9 occupant when the building is served by a public utility's master meter which measures the
3.10 total electric energy delivered to the building a single-metered residential building is
3.11 prohibited except as provided in this section.

3.12 (b) A landlord of a single-metered residential building who elects to be subject to the
3.13 commission's authority must request that a utility directly meter each unit in the building if
3.14 the utility offers the option. Once the individual meters are installed by the utility, the
3.15 landlord is prohibited from submetering or from including any utility charges in rent.

3.16 (c) A landlord is prohibited from removing a directly metered tenant from the tenant's
3.17 existing utility account or requesting that a utility remove the tenant from the tenant's existing
3.18 utility account.

3.19 (d) Submeters must be read at the end of each month and cover the period from the first
3.20 to the last day of the month.

3.21 (e) Submeters must be installed, replaced, or repaired only by a licensed and qualified
3.22 professional.

3.23 (f) A landlord that installs submeters must comply with all state and national standards
3.24 for electric and gas meters, including, as applicable:

3.25 (1) section 216B.09;

3.26 (2) Minnesota Rules, part 7826.1000;

3.27 (3) American National Standards Institute, Code for Electricity Metering; and

3.28 (4) any metering standards established by the commission.

3.29 (g) A landlord who installs submeters must file with the commission a document that
3.30 identifies the number of submeters installed and certifies that the submeters comply with
3.31 paragraph (f).

4.1 (h) Upon a finding by the commission that a landlord has materially violated this section,
4.2 the commission may order a landlord to cease submetering and billing tenants for utility
4.3 service separate from rent.

4.4 Subd. 2. **Inaccurate submeters.** (a) If a tenant notifies the landlord in writing that the
4.5 tenant suspects the submeter is incorrectly registering the tenant's electricity or gas
4.6 consumption, the landlord must promptly engage a licensed and qualified professional to
4.7 test the submeter and report the results to the tenant. If the tenant disagrees with the report's
4.8 findings, the tenant, at the tenant's own expense, may have a licensed and qualified
4.9 professional test the submeter.

4.10 (b) If testing indicates a submeter has an average error of more than two percent fast,
4.11 the landlord must promptly refund to the customer the overcharge. If testing indicates a
4.12 submeter has an average error of more than two percent slow, the landlord may charge for
4.13 electricity or natural gas consumed but not included in the bills previously rendered. The
4.14 refund or charge for both fast and slow submeters must be based on corrected meter readings.
4.15 If the date the submeter first malfunctioned can be ascertained with certainty, the amount
4.16 of the refund or billing for the undercharge must not exceed a malfunction period covering
4.17 one year. If the date the submeter first malfunctioned cannot be ascertained with certainty,
4.18 the amount of the refund or undercharge must not exceed a malfunction period covering
4.19 six months. Any undercharge the landlord collects must be recovered under section 216B.024,
4.20 subdivision 3.

4.21 (c) If a tenant provides notice to the landlord under paragraph (a) and the landlord fails
4.22 to check the submeter within a reasonable time, the landlord is prohibited from back billing
4.23 for the period between the date the tenant provided notice and the date the submeter was
4.24 checked.

4.25 (d) Upon a finding by a licensed and qualified professional that the submeter is more
4.26 than two percent fast, the landlord must repair or replace the malfunctioning meter within
4.27 a reasonable time and provide certification to the tenant that the submeter has been repaired
4.28 or replaced.

4.29 Subd. 3. **Fees.** A landlord is prohibited from charging to or collecting from tenants any
4.30 administrative, capital, or any other expenses associated with installing, maintaining,
4.31 repairing, replacing, or reading submeters.

4.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

5.1 Sec. 3. **[216B.023] BILLING; DISPUTE RESOLUTION.**

5.2 Subdivision 1. **Billing basis.** A bill for utility service provided by a landlord to a tenant
5.3 must be based on actual submeter readings.

5.4 Subd. 2. **Billing interval.** A bill for utility service must be provided to a tenant monthly.
5.5 A landlord that submeters and bills for utility service must include in the lease or, if there
5.6 is no lease, provide a written statement at the outset of the tenant's occupancy or rental
5.7 period, a notice that indicates when monthly utility bills are issued.

5.8 Subd. 3. **Billing content.** A monthly bill for utility service rendered by a landlord to a
5.9 tenant for utility service must include but is not limited to:

5.10 (1) the present and last preceding submeter readings;

5.11 (2) the date of the present reading;

5.12 (3) the rate at which the utility service is being billed and the rate at which the landlord
5.13 is being billed by the utility provider for the utility service; and

5.14 (4) the total amount of the monthly bill and an itemized list containing:

5.15 (i) the volumetric usage charge, calculated by multiplying the amount of consumption
5.16 by the allowable rate;

5.17 (ii) the tenant's portion for any fixed meter or service charge and taxes and miscellaneous
5.18 charges billed to the landlord by the utility provider, calculated as provided under subdivision
5.19 4, paragraph (b); and

5.20 (iii) the date by which payment is due; the date after which, if the bill is not paid, a late
5.21 payment charge is imposed; and the amount of the charge, if any.

5.22 Subd. 4. **Rates and other charges.** (a) A landlord that submeters is prohibited from
5.23 charging a tenant a rate that exceeds the rate at which the landlord purchases utility service
5.24 from a utility provider. Before billing tenants for utility service, a landlord must deduct
5.25 utility service used exclusively or primarily for the landlord's purposes.

5.26 (b) If a utility bill that a landlord receives from a utility provider separates variable
5.27 consumption charges from a fixed service or meter charge or fee, taxes, surcharges, or other
5.28 miscellaneous charges, the landlord must deduct the landlord's pro rata share of the separately
5.29 itemized charges and apportion the remaining fixed portion of the bill equally among
5.30 residents based on the total number of occupied units in the residential building.

6.1 (c) A landlord is prohibited from charging to or collecting from tenants any administrative
 6.2 or any other fees or charges associated with billing, collecting for, or any other aspect of
 6.3 providing utility services.

6.4 Subd. 5. **Billing errors.** When a tenant is overcharged or undercharged for utility service
 6.5 due to an error other than an inaccurate meter, the overcharge must be refunded to the tenant
 6.6 or the amount of the undercharge may be billed to the tenant. If the date the error first
 6.7 occurred can be ascertained with certainty, the amount of the refund or billing for the
 6.8 undercharge must not exceed an error period covering one year. If the date the error first
 6.9 occurred cannot be ascertained with certainty, the amount of the refund or undercharge must
 6.10 not exceed an error period covering six months. Any undercharge the landlord collects must
 6.11 be recovered under section 216B.024, subdivision 3.

6.12 Subd. 6. **Late payment charges.** A landlord may impose a late payment fee if the
 6.13 landlord does not receive a tenant's utility bill payment by the next scheduled billing date.
 6.14 The amount of the late charge must not exceed one and one-half percent per monthly billing
 6.15 period on the delinquent amount. A late payment charge must not be imposed if the
 6.16 delinquent amount is \$10 or less.

6.17 Subd. 7. **Other fees.** A landlord is prohibited from charging to or collecting from tenants
 6.18 any administrative, capital, or any other expenses associated with installing, maintaining,
 6.19 repairing, replacing, or reading submeters.

6.20 Subd. 8. **Dispute resolution procedure.** A tenant that disputes a bill under this section
 6.21 or claims a violation of section 216B.022 or 216B.024 must first attempt to resolve the
 6.22 dispute or claim with the landlord. If the tenant disagrees with the proposed resolution, the
 6.23 landlord must notify the tenant of the tenant's right to file a complaint with the commission
 6.24 and provide the tenant with the telephone number, physical address, and email address of
 6.25 the consumer affairs office. The consumer affairs office must follow the procedures under
 6.26 section 216B.172, subdivision 2. Minnesota Rules, part 7829.3200, and the procedures
 6.27 under section 216B.172, subdivisions 3 and 4, apply to disputes under this subdivision.

6.28 **EFFECTIVE DATE.** This section is effective January 1, 2025.

6.29 Sec. 4. **[216B.024] CONSUMER PROTECTIONS FOR TENANTS IN**
 6.30 **SINGLE-METERED RESIDENTIAL BUILDINGS.**

6.31 Subdivision 1. **Budget billing plans.** (a) A landlord that submeters must offer each
 6.32 tenant a budget billing plan. Within 30 days of the date a 12-month period ends, the landlord
 6.33 must compare a tenant's aggregate utility service payments with what the tenant would have

7.1 actually paid for the tenant's consumption and other allowable charges. If the tenant has
7.2 paid more for the utility service under the plan than the actual annual bill, the landlord must
7.3 either refund the overpayment or reduce the budget billing amount accordingly for the
7.4 subsequent 12-month period. If the tenant has paid less for the utility service under the plan
7.5 than the actual annual bill, the landlord must permit the tenant to pay the difference in equal
7.6 installments over the next 12 months.

7.7 (b) For the purposes of this subdivision, "budget billing plan" means a payment plan
7.8 that divides annual utility service charges into 12 equal monthly payments.

7.9 Subd. 2. **Payment agreements.** A landlord must offer a payment agreement for a tenant
7.10 to pay utility service arrears. If the tenant receives or is eligible for public assistance or legal
7.11 aid services, payment agreements must be consistent with the tenant's financial circumstances
7.12 and any extenuating circumstances of the household.

7.13 Subd. 3. **Undercharges.** (a) A landlord must offer a payment agreement to a tenant who
7.14 has been undercharged if the tenant or member of the tenant's household has not engaged
7.15 in culpable conduct that caused the undercharge. The agreement must cover a period equal
7.16 to the time over which the undercharge occurred or a different time period that is mutually
7.17 agreeable to the tenant and the landlord, except that the duration of a payment agreement
7.18 offered by a landlord to a tenant who is receiving or eligible for public assistance, or is
7.19 eligible for legal aid services, must be consistent with the financial circumstances and any
7.20 extenuating circumstances of the customer's household.

7.21 (b) An interest or delinquency fee must not be charged as part of an undercharge
7.22 agreement under this subdivision.

7.23 **EFFECTIVE DATE.** This section is effective January 1, 2025.

7.24 Sec. 5. Minnesota Statutes 2023 Supplement, section 216B.172, subdivision 1, is amended
7.25 to read:

7.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
7.27 the meanings given.

7.28 (b) "Appeal" means a request a complainant files with the commission to review and
7.29 make a final decision regarding the resolution of the complainant's complaint by the consumer
7.30 affairs office.

7.31 (c) "Complainant" means an individual residential customer or tenant who files with the
7.32 consumer affairs office a complaint against a public utility.

8.1 (d) "Complaint" means an allegation submitted to the consumer affairs office by a
 8.2 complainant that a public utility's action or practice regarding billing or terms and conditions
 8.3 of service:

8.4 (1) violates a statute, rule, tariff, service contract, or other provision of law;

8.5 (2) is unreasonable; or

8.6 (3) has harmed or, if not addressed, harms a complainant.

8.7 Complaint does not include an objection to or a request to modify any natural gas or
 8.8 electricity rate contained in a tariff that has been approved by the commission. A complaint
 8.9 under this section is an informal complaint under Minnesota Rules, chapter 7829.

8.10 (e) "Consumer affairs office" means the staff unit of the commission that is organized
 8.11 to receive and respond to complaints.

8.12 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,
 8.13 subpart 8.

8.14 (g) "Landlord" has the meaning given in section 216B.021, subdivision 1.

8.15 (h) "Public assistance" has the meaning given in section 550.37, subdivision 14.

8.16 ~~(h)~~ (i) "Public utility" has the meaning given in section 216B.02, subdivision 4.

8.17 (j) "Tenant" has the meaning given in section 216B.021, subdivision 1.

8.18 **EFFECTIVE DATE.** This section is effective January 1, 2025.

8.19 Sec. 6. Minnesota Statutes 2023 Supplement, section 216B.172, subdivision 2, is amended
 8.20 to read:

8.21 Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve
 8.22 a dispute with a public utility. If a complainant is dissatisfied with the proposed resolution
 8.23 by the public utility, the complainant may seek assistance of the commission to resolve the
 8.24 matter by filing a complaint with the consumer affairs office. The consumer affairs office
 8.25 must: (1) notify the complainant of the resolution of the complaint; and (2) provide written
 8.26 notice of (i) the complainant's right to appeal the resolution to the commission, and (ii) the
 8.27 steps the complainant may take to appeal the resolution. Upon request, the consumer affairs
 8.28 office must provide to the complainant a written notice containing the substance of and
 8.29 basis for the resolution. Nothing in this section affects any other rights existing under this
 8.30 chapter or other law.

8.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.1 Sec. 7. [504B.216] UTILITY SERVICE IN SINGLE-METERED RESIDENTIAL
9.2 BUILDINGS.

9.3 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
9.4 the meanings given.

9.5 (b) "Commission" means the public utilities commission.

9.6 (c) "Directly meter" has the meaning given in section 216B.021, subdivision 1.

9.7 (d) "Landlord" has the meaning given in section 504B.001, subdivision 7. For the
9.8 purposes of this section, landlord includes a third-party billing agent.

9.9 (e) "Single-metered residential building" means a multiunit rental building with one or
9.10 more separate residential living units where all of the applicable utility service consumed
9.11 in the building, including service consumed by tenants in each individual unit, is measured
9.12 through a single meter.

9.13 (f) "Submeter" has the meaning given in section 216B.021, subdivision 1.

9.14 (g) "Third-party billing agent" has the meaning given in section 216B.021, subdivision
9.15 1.

9.16 Subd. 2. Landlord is bill payer and customer of record. (a) The landlord of a
9.17 single-metered residential building is the bill payer responsible and must be the customer
9.18 of record contracting with a utility provider for utility service. Except as provided in
9.19 paragraph (b), a tenant is not responsible to a utility provider or landlord for utility service.
9.20 The landlord must advise the utility provider that the utility services apply to a single-metered
9.21 residential building.

9.22 (b) Notwithstanding paragraph (a):

9.23 (1) a tenant may be liable to the utility provider for utility service if the tenant exercises
9.24 the right granted under subdivision 6 because the landlord has failed to pay for utility service
9.25 and the utility provider issues a final notice proposing to disconnect or discontinue the
9.26 service to the building; and

9.27 (2) a tenant may be liable to the landlord for utility service if the landlord lawfully
9.28 submeters under section 216B.022.

9.29 (c) A landlord that fails to comply with this subdivision violates sections 504B.161,
9.30 subdivision 1, paragraph (a), clause (1), and 504B.221.

9.31 (d) This subdivision does not require a landlord to contract and pay for directly metered
9.32 utility services furnished to each residential unit by a utility provider.

10.1 (e) A landlord of a single-metered residential building is prohibited from: (1) apportioning
10.2 charges for utility services among residential units; and (2) except as otherwise provided
10.3 by this section, submetering.

10.4 (f) This subdivision may not be waived by contract or otherwise.

10.5 **Subd. 3. Limitation on charging for utility services separately from rent.** A landlord
10.6 is prohibited from charging or billing for utility service separately from rent unless the
10.7 landlord elects to be subject to the authority of the public utility commission under section
10.8 216B.021 and installs a submeter that complies with section 216B.022.

10.9 **Subd. 4. Disconnection of utility service prohibited.** (a) A landlord is prohibited from
10.10 disconnecting a tenant's utility service for the failure to pay utility service charges. Nothing
10.11 in this subdivision prohibits a public utility, a municipal utility, or a cooperative electric
10.12 association from disconnecting service to a landlord's single meter as otherwise allowed by
10.13 law.

10.14 (b) A landlord may bring a claim for breach of lease under section 504B.285, subdivision
10.15 4, against a tenant that fails to pay for utilities billed separately from rent as allowed under
10.16 this section, provided that:

10.17 (1) the landlord has offered and the tenant has defaulted on a payment agreement to pay
10.18 amounts owed for utility charges, as required under section 216B.024, subdivision 2;

10.19 (2) an eviction action must not be filed for the failure to pay utility service charges:

10.20 (i) during the cold weather period;

10.21 (ii) during a heat emergency; or

10.22 (iii) if the tenant or a member of the tenant's household is experiencing a medical
10.23 emergency or if medical equipment requiring electricity necessary to sustain life is in use;
10.24 and

10.25 (3) the tenant may, at any time before possession has been delivered, cure the breach by
10.26 bringing to court the amount of the utility charges that are in arrears, with an additional
10.27 charge as provided under section 216B.023, subdivision 6.

10.28 (c) If the tenant's failure to pay utility charges occurs during the cold weather period, if
10.29 a medical emergency occurs, or if medical equipment requiring electricity necessary to
10.30 sustain life is in use, a landlord must follow the procedures under section 216B.024,
10.31 subdivision 2.

10.32 (d) A violation of this section is a violation of section 504B.221.

11.1 (e) For the purposes of this subdivision:

11.2 (1) "cold weather rule" has the meaning given in section 216B.098, subdivision 1;

11.3 (2) "disconnection" includes installation of a service, load limiter, or any device that
 11.4 limits or interrupts utility service in any way; and

11.5 (3) "heat emergency" means any period when an excessive heat watch, heat advisory,
 11.6 or excessive heat warning issued by the National Weather Service is in effect.

11.7 Subd. 5. Procedure where landlord defaults on payments to the utility. (a) A utility
 11.8 provider that supplies natural gas, electricity, or water to a building, or another company
 11.9 that supplies home heating oil or propane to a building, who issues a final notice proposing
 11.10 to disconnect or discontinue the service to the building because a landlord who has contracted
 11.11 for the service has failed to pay for the service, or because a landlord is required by law or
 11.12 contract to pay for the service and fails to do so, must provide notice to the residents of the
 11.13 impending disconnection by posting the building. The posting must be placed in at least
 11.14 one conspicuous location in or on the building and provide tenants with, at a minimum, the
 11.15 following information:

11.16 (1) the date the service will be discontinued;

11.17 (2) the telephone number at the utility to call to obtain further information;

11.18 (3) a brief description of a tenant's rights under this section to continue or restore service;

11.19 and

11.20 (4) advice to consider seeking assistance from legal aid, a private attorney, or a housing
 11.21 organization to exercise the tenant's right to maintain utility service under Minnesota law.

11.22 A tenant or group of tenants may pay to have the service continued or reconnected as
 11.23 provided under this section. Before paying for the service, the tenant or group of tenants
 11.24 must give oral or written notice to the landlord that the tenant intends to pay after 48 hours,
 11.25 or a shorter period that is reasonable under the circumstances, if the landlord does not pay
 11.26 for the service. In the case of oral notification, written notice must be mailed or delivered
 11.27 to the landlord within 24 hours after the time oral notice is given.

11.28 (b) In the case of natural gas or electricity, if the landlord has not paid the bill by the
 11.29 time of the tenant's intended payment or if the service remains discontinued, the tenant or
 11.30 tenants may pay the current charges for the most recent billing period and the utility company
 11.31 or municipality must restore the service for at least one billing period. In a residential
 11.32 building with less than five units, one of the tenants may notify the utility company or
 11.33 municipality that the tenant agrees to become the bill payer responsible and customer of

12.1 record, and the utility company or municipality must place the account disconnected or
12.2 subject to disconnection in the tenant's name and provide service prospectively, provided
12.3 the tenant satisfies all requirements for establishing service. A tenant becoming the customer
12.4 of record of a cooperative electric association does not acquire membership rights. A tenant
12.5 that exercises the right to pay the current charges for the most recent billing period does not
12.6 preclude the tenant from exercising the right to become the bill payer responsible and
12.7 customer of record, provided that if there are multiple tenants in an affected multifamily
12.8 building, the utility company or municipality is not required to offer the right to become
12.9 the bill payer responsible and the customer of record to more than one tenant in a 12-month
12.10 period.

12.11 (c) In the case of water, if the landlord has not paid the bill by the time of the tenant's
12.12 intended payment or if the service remains discontinued, upon request from a tenant, a
12.13 municipality must provide a copy of each bill the landlord fails to pay. The tenant:

12.14 (1) has a continuing right to pay the current charges for the most recent billing period
12.15 and retain service;

12.16 (2) has the period of time provided by the governing ordinance, policy, or practice within
12.17 which to pay the charges;

12.18 (3) is not subject to any deposit requirements; and

12.19 (4) is entitled to reasonable notice of any disconnection.

12.20 This paragraph does not require a municipality to alter the municipality's accounting system
12.21 or billing records if the tenant exercises the right to pay current charges and retain water
12.22 service. If there are multiple tenants in an affected property, the municipality is not required
12.23 to offer the right to pay current charges and retain service to more than one tenant in a
12.24 12-month period.

12.25 (d) For purposes of this subdivision, "current charges" does not include arrears or late
12.26 payment fees incurred by the landlord.

12.27 (e) In a single-metered residential building, other residential tenants in the building may
12.28 contribute payments to the utility company or municipality on the account of the tenant who
12.29 is the customer of record under paragraph (b) or on the landlord's account under paragraph
12.30 (c).

12.31 (f) A landlord who satisfies all requirements for reestablishing service, including paying
12.32 or entering into an agreement acceptable to the utility company or municipality to pay all

13.1 arrears and other lawful charges incurred by the landlord on the account that was placed in
13.2 the tenant's name, may reestablish service in the landlord's name.

13.3 (g) This section does not restrict or prohibit a municipal utility provider from exercising
13.4 the municipal utility provider's authority under section 444.075, subdivisions 3 and 3e, to
13.5 (1) make contracts with and impose utility charges against property owners, and (2) certify
13.6 unpaid charges to the county auditor with taxes against the property served for collection
13.7 as a tax.

13.8 (h) In the case of home heating oil or propane, if the landlord does not pay the bill by
13.9 the time of the tenant's intended payment, or if the service remains discontinued, the tenant
13.10 or tenants may order and pay for one month's supply of the proper grade and quality of oil
13.11 or propane.

13.12 (i) After submitting documentation to the landlord documenting the tenant's payment to
13.13 the utility company or municipality, a tenant may deduct the amount of the tenant's payment
13.14 to the utility company or municipality from the next rental payment paid to the landlord.
13.15 Any amount paid to the municipality, utility company, or other company by a tenant under
13.16 this subdivision is considered rent payment to the landlord for purposes of section 504B.291.

13.17 Subd. 6. **Limitations; waiver prohibited; rights as additional.** The tenant rights under
13.18 this section:

13.19 (1) do not extend to conditions caused by the tenant's willful, malicious, or negligent
13.20 conduct, or the willful, malicious, or negligent conduct of a person under the tenant's direction
13.21 or control;

13.22 (2) may not be waived or modified; and

13.23 (3) are in addition to and do not limit other rights that may be available to the tenant in
13.24 law or equity, including the right to damages and the right to restoration of possession of
13.25 the premises under section 504B.291.

13.26 **EFFECTIVE DATE.** This section is effective January 1, 2025.

13.27 Sec. 8. Minnesota Statutes 2022, section 504B.285, subdivision 4, is amended to read:

13.28 Subd. 4. **Nonlimitation of landlord's rights.** (a) Nothing contained in subdivisions 2
13.29 and 3 limits the right of the landlord pursuant to the provisions of subdivision 1 to terminate
13.30 a tenancy for a violation by the tenant of a lawful, material provision of a lease or contract,
13.31 whether written or oral, or to hold the tenant liable for damage to the premises caused by
13.32 the tenant or a person acting under the tenant's direction or control.

14.1 (b) If a landlord takes an action to terminate a tenancy for failure to pay for utility services
14.2 in a single-metered building, the court:

14.3 (1) if the tenant has filed a complaint involving utility service with the public utilities
14.4 commission under section 216B.023, subdivision 8, must stay the action until the commission
14.5 has made a final determination and must not require the defendant to pay any amount of
14.6 money into court, post a bond, make a payment directly to a landlord, or by any other means
14.7 post security for any purpose before final disposition of the complaint under section
14.8 216B.172, subdivisions 3 and 4. The procedures described in clauses (2) and (3) apply to
14.9 any subsequent action taken under this subdivision;

14.10 (2) if the tenant has not filed a complaint involving utility service with the public utilities
14.11 commission under section 216B.023, subdivision 8, and the tenant meets the requirements
14.12 to proceed in forma pauperis, must not require the tenant to post any amount of money into
14.13 court, post a bond, make a payment directly to a landlord, or by any other means post security
14.14 for utility charges; and

14.15 (3) if the tenant has not filed a complaint involving utility service with the public utilities
14.16 commission under section 216B.023, subdivision 8, and the tenant does not meet the
14.17 requirements to proceed in forma pauperis, must, in the court's discretion, require the tenant
14.18 to pay an amount of money or post security as the court deems appropriate for prospective
14.19 utility charges only.

14.20 (c) A court is prohibited from requiring a tenant to post rent as a condition of a tenant
14.21 asserting an affirmative claim or defense, or a counterclaim related to landlord utility billing
14.22 or practices.

14.23 **Sec. 9. REPEALER.**

14.24 Minnesota Statutes 2022, section 504B.215, is repealed.

14.25 **EFFECTIVE DATE.** This section is effective January 1, 2025.

504B.215 BILLING; LOSS OF SERVICES.

Subdivision 1. **Definitions.** For the purposes of this section, "single-metered residential building" means a multiunit rental building with one or more separate residential living units where the utility service measured through a single meter provides service to an individual unit and to all or parts of common areas or other units.

Subd. 2. **Single-meter utility service payments.** Except as provided in subdivision 3, the landlord of a single-metered residential building shall be the bill payer responsible, and shall be the customer of record contracting with the utility for utility services. The landlord must advise the utility provider that the utility services apply to a single-metered residential building. A failure by the landlord to comply with this subdivision is a violation of sections 504B.161, subdivision 1, clause (1), and 504B.221. This subdivision may not be waived by contract or otherwise. This subdivision does not require a landlord to contract and pay for utility service provided to each residential unit through a separate meter which accurately measures that unit's use only. This subdivision does not prohibit a landlord from apportioning utility service payments among residential units and either including utility costs in a unit's rent or billing for utility charges separate from rent.

Subd. 2a. **Conditions of separate utility billing to tenant in single-meter buildings.** (a) A landlord of a single-metered residential building who bills for utility charges separate from the rent:

(1) must provide prospective tenants notice of the total utility cost for the building for each month of the most recent calendar year;

(2) must predetermine and put in writing for all leases an equitable method of apportionment and the frequency of billing by the landlord;

(3) must include in the lease a provision that, upon a tenant's request, the landlord must provide a copy of the actual utility bill for the building along with each apportioned utility bill. Upon a tenant's request, a landlord must also provide past copies of actual utility bills for any period of the tenancy for which the tenant received an apportioned utility bill. Past copies of utility bills must be provided for the preceding two years or from the time the current landlord acquired the building, whichever is most recent; and

(4) may, if the landlord and tenant agree, provide tenants with a lease term of one year or more the option to pay those bills under an annualized budget plan providing for level monthly payments based on a good faith estimate of the annual bill.

(b) By September 30 of each year, a landlord of a single-metered residential building who bills for gas and electric utility charges separate from rent must inform tenants in writing of the possible availability of energy assistance from the Low Income Home Energy Assistance Program. The information must contain the toll-free telephone number of the administering agency.

(c) A failure by the landlord to comply with this subdivision is a violation of sections 504B.161, subdivision 1, clause (1), and 504B.221.

Subd. 2b. **De minimis exception.** Any tariff approved by the Public Utilities Commission regarding a violation of subdivision 2 shall include a de minimis exception. The de minimis exception shall provide that electrical service in a common area that does not exceed an aggregate 1,752 kilowatt hours per year, which service is measured through a meter serving an individual residential unit, shall not cause a building to be a "single-metered residential building" as used in this section. The amount of common area usage may be determined by actual measurement or, when such measurement is not possible, it may be determined not likely to exceed 1,752 kilowatt hours per year by a licensed tradesperson or a housing inspector. The landlord shall bear the burden and cost associated with proving an exception.

If a tariff is not adopted, this subdivision shall have no effect.

Subd. 3. **Procedure.** (a) A municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building who issues a final notice proposing to disconnect or discontinue the service to the building because a landlord who has contracted for the service has failed to pay for it or because a landlord is required by law or contract to pay for the service and fails to do so must provide notice to the residents of the impending disconnection by posting the building. The posting must be placed in at least one conspicuous location in or on the building and provide tenants with, at a minimum, the following information:

(1) the date the service will be discontinued;

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(2) the telephone number to call at the utility to obtain further information;

(3) a brief description of the rights of tenants under this section to continue or restore service;
and

(4) advice to consider seeking assistance from legal aid, a private attorney, or a housing organization in exercising the rights of tenants under Minnesota law to maintain their utility service.

A tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the landlord of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the landlord has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the landlord within 24 hours after oral notice is given.

(b) In the case of natural gas or electricity, if the landlord has not paid the bill by the time of the tenant's intended payment or if the service remains discontinued, the tenant or tenants may pay the current charges for the most recent billing period and the utility company or municipality must restore the service for at least one billing period. In a residential building with less than five units, one of the tenants may notify the utility company or municipality that the tenant agrees to become the bill payer responsible and customer of record and the utility company or municipality must place the account disconnected or subject to disconnection in the tenant's name and provide service prospectively, provided the tenant satisfies all requirements for establishing service. A tenant becoming the customer of record of a cooperative electric association does not acquire membership rights. Exercise of the right to pay the current charges for the most recent billing period does not preclude exercising the right to become the bill payer responsible and customer of record, provided that if there are multiple tenants in an affected multifamily building, the utility company or municipality is not required to offer the right to become the bill payer responsible and the customer of record to more than one tenant in a 12-month period.

(c) In the case of water, if the landlord has not paid the bill by the time of the tenant's intended payment or if the service remains discontinued, upon request from a tenant, a municipality must provide a copy of each bill the landlord fails to pay. The tenant:

(1) has a continuing right to pay the current charges for the most recent billing period and retain service;

(2) has the period of time provided by the governing ordinance, policy, or practice within which to pay the charges;

(3) is not subject to any deposit requirements; and

(4) is entitled to reasonable notice of any disconnection.

This paragraph does not require a municipality to alter its accounting system or billing records if the tenant exercises the right to pay current charges and retain water service. If there are multiple tenants in an affected property, the municipality is not required to offer the right to pay current charges and retain service to more than one tenant in a 12-month period.

(d) For purposes of this subdivision, "current charges" does not include arrears or late payment fees incurred by the landlord.

(e) In a single-metered residential building, other residential tenants in the building may contribute payments to the utility company or municipality on the account of the tenant who is the customer of record under paragraph (b) or on the landlord's account under paragraph (c).

(f) A landlord who satisfies all requirements for reestablishing service, including paying, or entering into an agreement acceptable to the utility company or municipality to pay, all arrears and other lawful charges incurred by the landlord on the account that was placed in the tenant's name, may reestablish service in the landlord's name.

(g) This section does not restrict or prohibit a municipal utility provider from exercising its authority pursuant to section 444.075, subdivisions 3 and 3e, to make contracts with and impose utility charges against property owners and to certify unpaid charges to the county auditor with taxes against the property served for collection as a tax.

(h) In the case of home heating oil or propane, if the landlord has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

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(i) After submitting documentation to the landlord of the tenant's payment to the utility company or municipality, a tenant may deduct the amount of the tenant's payment to the utility company or municipality from the rental payment next paid to the landlord. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the landlord for purposes of section 504B.291.

Subd. 4. **Limitations; waiver prohibited; rights as additional.** The tenant rights under this section:

(1) do not extend to conditions caused by the willful, malicious, or negligent conduct of the tenant or of a person under the tenant's direction or control;

(2) may not be waived or modified; and

(3) are in addition to and do not limit other rights which may be available to the tenant in law or equity, including the right to damages and the right to restoration of possession of the premises under section 504B.291.