

SENATE

STATE OF MINNESOTA

NINETY-THIRD SESSION

S.F. No. 4579

(SENATE AUTHORS: DIBBLE, Pappas, Mitchell, Oumou Verbeten and Westlin)

DATE	D-PG	OFFICIAL STATUS
03/04/2024	11915	Introduction and first reading Referred to Energy, Utilities, Environment, and Climate
03/13/2024	12198	Author added Mitchell
03/14/2024	12248a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety
03/20/2024	12454	Authors added Oumou Verbeten; Westlin
04/02/2024	12923a	Comm report: To pass as amended
	13329	Second reading
04/11/2024	13680a	Special Order: Amended
	13681	Third reading Passed
04/29/2024	15446	Returned from House with amendment Senate not concur, conference committee of 3 requested
	15570	Senate conferees Dibble; Port; Weber
04/30/2024	15576	House conferees Hollins; Feist; Niska
05/13/2024	16834c	Conference committee report, delete everything
	16848	Senate adopted CC report and repassed bill
	16848	Third reading
05/17/2024	17275	House adopted SCC report and repassed bill Presentment date 05/16/24
	20027	Governor's action Approval 05/17/24
	20027	Secretary of State Chapter 107 05/17/24 Effective date 01/01/2025

1.1

A bill for an act

1.2

relating to energy; providing for and regulating shared-metered utility service in

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residential buildings; amending Minnesota Statutes 2022, sections 216B.022;

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216B.098, subdivision 6; 504B.285, subdivision 4; Minnesota Statutes 2023

1.5

Supplement, section 216B.172, subdivisions 1, 2; proposing coding for new law

1.6

in Minnesota Statutes, chapters 216B; 504B; repealing Minnesota Statutes 2022,

1.7

section 504B.215.

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

1.9

Section 1. Minnesota Statutes 2022, section 216B.022, is amended to read:

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216B.022 SUBMETERING IN SHARED-METERED RESIDENTIAL BUILDINGS.

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Subdivision 1. Definitions. (a) For the purposes of this section and sections 216B.023

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and 216B.024, the following terms have the meanings given.

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(b) "Landlord" has the meaning given in section 504B.001, subdivision 7. Landlord

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includes a third-party billing agent.

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(c) "Nonresidential building" means a building that is not a residential building.

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(d) "Nonusage charges" means the total of the charges on the utility bill from a utility

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provider that represent all nonconsumption-based charges and fees, including but not limited

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to fixed-meter or service charges, taxes, surcharges, and other fees.

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(e) "Shared-metered residential building" means a residential building with multiple

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separate residential dwelling units where the building's utility service is measured by fewer

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meters than the number of separate dwelling units in the building. Shared-metered residential

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building does not include a manufactured home park.

(f) "Submeter" means a meter that (1) is owned or installed by the landlord or by a third-party billing agent or other agent of the landlord, and (2) measures utility service consumed solely within an individual dwelling unit in the shared-metered residential building.

(g) "Tenant" means a person who is occupying a dwelling unit in a shared-metered residential building under a lease or contract, whether oral or written, that requires the payment of money or exchange of services. Tenant includes all other regular occupants of the subject dwelling unit.

(h) "Third-party billing agent" means a person or entity, other than the property owner, that performs one or more utility management services at a shared-metered residential building on behalf of a landlord, including but not limited to installing submeters, reading submeters, or handling utility billing or collections, or both.

(i) "Utility provider" means a public utility, a municipal utility, or a cooperative electric association providing utility service.

(j) "Utility service" means natural gas and electricity.

Subd. 2. Submetering in shared-metered residential buildings. (a) A landlord of a shared-metered residential building with installed submeters is subject to the commission's authority under this chapter.

(b) On or after January 1, 2025, all submeters installed by a landlord to measure utility service must meet standards established by the American National Standards Institute.

(c) All submeters, regardless of when the submeter was installed, must accurately measure utility service.

Subd. 3. Submetering in nonresidential buildings. Nothing in this chapter grants the commission or a public utility the authority to limit the availability of submetering to a nonresidential building occupant when the building is served by a public utility's master meter which measures the total electric energy delivered to the building.

Subd. 4. Inaccurate submeters. (a) If a tenant notifies the landlord in writing that the tenant suspects the submeter is incorrectly registering the tenant's utility service and includes an explanation for the suspicion, the landlord must promptly investigate to determine whether the submeter is inaccurate. If the submeter is inaccurate, the landlord must either repair or replace the submeter or inform the tenant in writing why no corrective action is believed necessary.

3.1 (b) If the inaccurate submeter has resulted in an overcharge, the landlord must promptly
3.2 refund the difference between what the tenant paid and what the tenant would have paid if
3.3 the submeter had correctly registered the tenant's utility service.

3.4 (c) If the inaccurate submeter has resulted in an undercharge, the landlord may bill the
3.5 tenant the difference between what the tenant paid and what the tenant would have paid if
3.6 the submeter had correctly registered the tenant's utility service for a period not exceeding
3.7 the previous six months. Any undercharge the landlord seeks to collect must be recovered
3.8 in accordance with section 216B.023, subdivision 8.

3.9 (d) If a tenant has notified the landlord that the tenant suspects the tenant's submeter is
3.10 incorrectly registering the tenant's utility service as provided in paragraph (a) and the landlord
3.11 has failed within a reasonable time to check the submeter and provide the tenant with the
3.12 results of a meter test demonstrating the submeter is accurate, the landlord is prohibited
3.13 from recovering from the tenant any undercharge for the period between the date of the
3.14 tenant's notification and the date the submeter was checked.

3.15 Subd. 5. **Submeter fees.** A landlord is prohibited from charging to or collecting from
3.16 tenants any administrative, capital, or any other expenses associated with the installation,
3.17 maintenance, repair, replacement, or reading of submeters, unless the expense is due to the
3.18 tenant's willful, malicious, or negligent conduct. Nothing in this subdivision prevents the
3.19 landlord from imposing a late payment charge, as provided under section 216B.023,
3.20 subdivision 6, or an administrative billing charge, as provided under section 216B.023,
3.21 subdivision 4.

3.22 Sec. 2. **[216B.023] SHARED-METERED RESIDENTIAL BUILDINGS; BILLING;**
3.23 **CONSUMER PROTECTIONS.**

3.24 Subdivision 1. **Billing requirements for submetered service.** (a) If utility service is
3.25 submetered, utility bills provided by landlords to tenants must be based on actual submeter
3.26 readings. If natural gas service is apportioned, landlords must comply with section 504B.216,
3.27 subdivisions 5 and 6.

3.28 (b) Landlords are prohibited from billing submetered tenants or tenants whose natural
3.29 gas service is apportioned less frequently than the landlord is billed by the utility. Landlords
3.30 must include in the lease, or provide a written statement at the outset of the lease term,
3.31 notice of when utility bills will be issued.

3.32 (c) Landlords must include the following information on each submetered utility service
3.33 bill:

- 4.1 (1) the present and last preceding submeter readings;
- 4.2 (2) the date of the present reading;
- 4.3 (3) the rate at which the utility service is being billed, the amount of the service billed
- 4.4 at the rate, and the rate at which the landlord is being billed by the utility provider for the
- 4.5 utility service;
- 4.6 (4) the tenant's portion of taxes and surcharges;
- 4.7 (5) if any, the portion of any bill credit the landlord received from the utility provider
- 4.8 that is credited to the tenant;
- 4.9 (6) any administrative billing charge, as provided in subdivision 4;
- 4.10 (7) the total amount of the bill; and
- 4.11 (8) the date by which payment is due; the date after which, if the bill is not paid, a late
- 4.12 payment charge may be imposed; and the amount of the charge, if any, as provided in
- 4.13 subdivision 6.

4.14 Subd. 2. **Separate billing for electricity.** (a) A landlord who bills a tenant separately

4.15 from rent for electricity service (1) must not apportion the service; (2) must comply with

4.16 this section, section 216B.022, and applicable provisions of section 504B.216; and (3) is

4.17 subject to section 216B.024.

4.18 (b) A landlord who submeters electricity must:

4.19 (1) charge only for the electricity used in the tenant's unit, calculated by multiplying the

4.20 kilowatt-hours used during the billing period, as measured by the submeter, by the rate

4.21 charged to the landlord by the utility provider. A landlord must not charge a tenant for

4.22 electricity consumed in common areas or in spaces used exclusively or primarily by the

4.23 landlord;

4.24 (2) charge a tenant only for the tenant's pro rata share of nonusage charges, calculated

4.25 by dividing the charges the landlord is billed by the utility provider equally among the

4.26 number of units in the building; and

4.27 (3) deduct from a tenant's total bill the tenant's pro rata share of any bill credits or

4.28 adjustments received by the landlord on the bill from the utility provider by dividing the

4.29 credit or adjustment equally among the number of units in the building.

4.30 Subd. 3. **Separate billing for natural gas.** (a) A landlord who submeters natural gas

4.31 service must bill tenants according to the methodology described in subdivision 2, paragraph

4.32 (b), and comply with:

5.1 (1) subdivision 1, paragraph (c);

5.2 (2) section 216B.022; and

5.3 (3) applicable provisions of section 504.216.

5.4 (b) A landlord who submeters or apportions natural gas service (1) must comply with
5.5 subdivisions 4 to 8, and (2) is subject to section 216B.024.

5.6 Subd. 4. **Administrative billing charge.** A landlord who bills separately from rent for
5.7 utility service may impose an administrative billing charge, as provided in section 504B.216,
5.8 subdivision 8. No other fees or charges may be imposed on or collected from tenants for
5.9 utility service, except as otherwise provided in subdivision 6 and section 216B.022,
5.10 subdivision 5.

5.11 Subd. 5. **Billing errors.** (a) If a billing error occurs that has resulted in an overcharge,
5.12 the landlord must promptly refund the difference between what the tenant paid and what
5.13 the tenant would have paid but for the error.

5.14 (b) If a billing error has occurred that has resulted in an undercharge, the landlord may
5.15 bill the tenant for the difference between what the tenant paid and what the tenant would
5.16 have paid but for the billing error, for a period not exceeding six months. Any undercharge
5.17 must be recovered in accordance with subdivision 8.

5.18 Subd. 6. **Late payment charge.** A late payment charge may be imposed as provided
5.19 under section 504B.216, subdivision 9. No other fees or charges may be imposed on or
5.20 collected from tenants for utility service, except as otherwise provided in subdivision 4 and
5.21 section 216B.022, subdivision 5.

5.22 Subd. 7. **Payment plans.** A landlord must offer a payment plan for overdue utility service
5.23 bills. The plan must be reasonable and take into account the tenant's financial circumstances
5.24 and any extenuating circumstances that are voluntarily disclosed by the tenant. If the landlord
5.25 and tenant cannot agree on a mutually acceptable payment plan, the landlord must inform
5.26 the tenant of the right to seek assistance from the commission's consumer affairs office in
5.27 resolving the dispute and provide the tenant the office's current telephone number and email
5.28 address.

5.29 Subd. 8. **Undercharges.** A landlord must offer a payment plan to tenants who have been
5.30 undercharged if no culpable conduct by the tenant or member of the tenant's household
5.31 caused the undercharge. The agreement must cover a period equal to the time over which
5.32 the undercharge occurred or a different time period that is mutually agreeable to the tenant

6.1 and the landlord. No interest or delinquency fee may be charged as part of a payment plan
6.2 under this subdivision.

6.3 Sec. 3. **[216B.024] SHARED-METERED RESIDENTIAL BUILDINGS; DISPUTE**
6.4 **RESOLUTION.**

6.5 A tenant disputing a bill or claiming a violation of section 216B.022 or 216B.023 must
6.6 first attempt to resolve the dispute or claim with the landlord. If the tenant disagrees with
6.7 the landlord's proposed resolution, the landlord must notify the tenant of the tenant's right
6.8 to file a complaint with the commission's consumer affairs office and provide the tenant the
6.9 office's current telephone number and email address. The consumer affairs office must
6.10 follow the procedures set forth in section 216B.172, subdivision 2, and Minnesota Rules,
6.11 part 7829.1600, and the procedures under section 216B.172, subdivisions 3 and 4, apply.

6.12 Sec. 4. Minnesota Statutes 2022, section 216B.098, subdivision 6, is amended to read:

6.13 Subd. 6. **Commission authority.** (a) In addition to any other authority, the commission
6.14 has the authority to resolve customer complaints against a public utility, ~~as defined in section~~
6.15 ~~216B.02, subdivision 4~~ or a landlord of a shared-metered residential building, whether or
6.16 not the complaint involves a violation of this chapter. The commission may delegate this
6.17 authority to commission staff as it deems appropriate.

6.18 (b) The commission has the authority to levy a penalty of not less than \$100 and not
6.19 more than \$1,000 for each violation of section 216B.022, 216B.023, or 216B.024 with
6.20 respect to complaints filed by tenants. Nothing in this chapter limits the right of a tenant to
6.21 seek or obtain judicial remedies.

6.22 (c) For the purposes of this subdivision:

6.23 (1) "landlord" has the meaning given in section 216B.022, subdivision 1, paragraph (b);

6.24 (2) "public utility" has the meaning given in section 216B.02, subdivision 4; and

6.25 (3) "shared-metered residential building" has the meaning given in section 216B.022,
6.26 subdivision 1, paragraph (e).

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

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

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

(c) "Complainant" means an individual residential customer or a tenant who files with the consumer affairs office a complaint against a public utility or a landlord of a shared-metered residential building.

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

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

(2) is unreasonable; or

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

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

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

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

(g) "Landlord" means an owner of a shared-metered residential building, a contract for deed vendee, receiver, executor, trustee, lessee, agent, or other person directly or indirectly in control of the shared-metered residential building that bills separately for natural gas or electricity, or both.

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

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

(j) "Shared-metered residential building" has the meaning given in section 216B.022, subdivision 1, paragraph (e).

(k) "Tenant" has the meaning given in section 216B.022, subdivision 1, paragraph (g).

(l) "Third-party billing agent" has the meaning given in section 216B.022, subdivision 1, paragraph (h).

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

Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve a dispute with a public utility or a landlord. If a complainant is dissatisfied with the proposed resolution by the public utility or the landlord, the complainant may seek assistance of the commission to resolve the dispute by filing a complaint with the consumer affairs office.

The consumer affairs office must: (1) notify the complainant of the resolution of the complaint; and (2) provide written notice of (i) the complainant's right to appeal the resolution to the commission, and (ii) the steps the complainant may take to appeal the resolution.

Upon request, the consumer affairs office must provide to the complainant a written notice containing the substance of and basis for the resolution. Nothing in this section affects any other rights existing under this chapter or other law.

Sec. 7. **[504B.216] UTILITY SERVICE IN SHARED-METERED RESIDENTIAL BUILDINGS.**

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

(b) "Directly metered tenant" means a tenant who receives utility service directly from, is billed directly by, and is a customer of the utility provider.

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

(d) "Nonusage charges" means the total of the charges on a utility bill from a utility provider that represent all nonconsumption-based charges and fees, including but not limited to fixed-meter or service charges, taxes, surcharges, and other fees.

(e) "Shared-metered residential building" means a building with multiple separate residential dwelling units where the building's utility service is measured by fewer meters than the number of separate dwelling units in the building. Shared-metered residential building does not include a manufactured home park.

(f) "Submeter" means a meter that (1) is owned by a landlord and installed by the landlord or by a third-party billing agent or other agent, and (2) measures utility service consumed solely within an individual dwelling unit in the shared-metered residential building.

(g) "Third-party billing agent" means a person or entity, other than the property owner, that performs one or more utility management services at a shared-metered residential

9.1 building on behalf of a landlord, including but not limited to installing submeters, reading
9.2 submeters, or handling utility billing or collections, or both.

9.3 (h) "Utility provider" means a public utility, a municipal utility, a cooperative electric
9.4 association, or a local municipal water company providing utility service.

9.5 (i) "Utility service" means natural gas, electricity, or water and sewer.

9.6 Subd. 2. **Landlord is bill payer and customer of record.** (a) The landlord of a
9.7 shared-metered residential building must be the bill payer responsible and must be the
9.8 customer of record contracting with a utility provider for utility service. The landlord must
9.9 advise the utility provider that the utility services apply to a shared-metered residential
9.10 building.

9.11 (b) A landlord is prohibited from removing a directly metered tenant from the tenant's
9.12 existing utility account or requesting that a utility remove the tenant from the tenant's existing
9.13 utility account.

9.14 (c) This subdivision may not be waived by contract or otherwise.

9.15 Subd. 3. **Submetering of electricity and natural gas.** A landlord who submeters natural
9.16 gas or electricity (1) must comply with this section and sections 216B.022 and 216B.023,
9.17 and (2) is subject to section 216B.024.

9.18 Subd. 4. **Submetering of water.** (a) On or after January 1, 2025, any submeters installed
9.19 by a landlord to measure water and sewer usage must comply with standards established
9.20 by the local municipal water company for meters the company uses to measure water and
9.21 sewer service provided to the company's customers.

9.22 (b) All submeters, regardless of when the submeter was installed, must accurately measure
9.23 utility service. Landlords are prohibited from billing submetered tenants less frequently
9.24 than the landlord is billed by the utility.

9.25 (c) A landlord who submeters water must:

9.26 (1) bill tenants according to section 216B.023, subdivision 1;

9.27 (2) charge tenants according to section 216B.023, subdivision 2, paragraph (b); and

9.28 (3) comply with sections 216B.022, subdivision 4, and 216B.023, subdivisions 5, 7, and
9.29 8.

9.30 (d) A landlord must not charge to or collect from tenants any administrative, capital, or
9.31 any other expenses associated with the installation, maintenance, repair, replacement, or
9.32 reading of submeters, unless the expense is due to the tenant's willful, malicious, or negligent

10.1 conduct. Nothing in this subdivision prevents the landlord from imposing a late payment
10.2 charge, as provided under subdivision 9, or an administrative billing charge, as provided
10.3 under subdivision 8.

10.4 Subd. 5. **Apportionment generally.** (a) Apportionment of electricity is prohibited.

10.5 (b) Landlords must not bill tenants for apportioned utility service under this section less
10.6 frequently than the landlord is billed by the utility.

10.7 (c) A landlord who apportions utility service must, upon a tenant's request, provide:

10.8 (1) a copy of the current actual natural gas or water and sewer utility bill from the utility
10.9 provider that is being apportioned; and

10.10 (2) a copy of past natural gas or water and sewer utility bills for which the tenant received
10.11 an apportioned utility bill for the preceding two years or from the time the current landlord
10.12 acquired the building, whichever is the most recent.

10.13 (d) A landlord must include in the lease or in a separate written notice a list of the tenant's
10.14 rights under paragraph (c).

10.15 (e) A landlord who apportions utility service must comply with section 216B.023,
10.16 subdivisions 5, 7, and 8. A landlord who apportions natural gas is also subject to section
10.17 216B.024.

10.18 Subd. 6. **Apportionment of natural gas.** (a) A landlord may apportion and bill for
10.19 natural gas usage and nonusage charges only as provided in this subdivision.

10.20 (b) A tenant's apportioned natural gas bill must be based on the previous billing period's
10.21 actual natural gas bills from the utility provider, allocated to each unit based on the square
10.22 footage in the tenant's unit as a proportion of square footage of all the units in the building.

10.23 (c) A landlord must not charge any tenant for natural gas consumed in common areas,
10.24 spaces used exclusively or primarily by the landlord, or any vacant unit.

10.25 (d) A landlord must deduct from a tenant's total bill the tenant's pro rata share of any
10.26 bill credits or adjustments received by the landlord on the bill from the utility.

10.27 Subd. 7. **Apportionment of water and sewer.** (a) A landlord may apportion water and
10.28 sewer utility service and nonusage charges only as provided in this subdivision.

10.29 (b) A tenant's apportioned water and sewer bill must be based on the previous period's
10.30 water and sewer bills from the utility provider, allocated to each unit based on the number
10.31 of tenants listed on the lease as a proportion of the occupancy of all the units as listed on
10.32 the leases in the building.

(c) A landlord must not charge any tenant for water and sewer usage in common areas; in spaces used exclusively or primarily by the landlord; in vacant units; for maintenance of the property; or for shared amenities, including but not limited to laundry facilities and pools.

(d) A landlord must deduct from a tenant's total bill the tenant's pro rata share of any bill credits or adjustments received by the landlord on the bill from the utility.

Subd. 8. **Administrative billing charge.** A landlord who bills separately from rent for any utility service may charge a tenant a single administrative billing charge per billing period for all the utilities that are separately billed. The administrative billing charge must not exceed \$8. Except as provided in subdivision 9, no other fees or charges may be imposed on or collected from tenants for utility service, including but not limited to any administrative, capital, or any other expenses associated with the installation, maintenance, repair, replacement, or reading of submeters, unless the expense involving a submeter is due to the tenant's willful, malicious, or negligent conduct.

Subd. 9. **Late payment charge; compounding late fees prohibited.** A landlord may impose one late payment charge per billing period if a tenant's utility bill payment is not received by the landlord by the next scheduled billing date. The late payment charge for all utilities billed must not exceed \$5 per month. Late fees must not be compounded.

Subd. 10. **Disclosure in lease of apportionment billing formula.** If natural gas or water and sewer is apportioned, leases entered into or renewed on or after January 1, 2025, must include an attachment with the following notice:

"UTILITY BILLS

How Will My Bill be Calculated?

1. Your utility bill is for your portion of the building's natural gas or water and sewer usage, plus your portion of nonusage fees we get charged by the utility (for example, taxes and surcharges).

For natural gas, your portion is based on the square footage of your unit as a percentage of the square footage of all the units.

For water and sewer, your portion is based on the number of people in your unit (as listed on your lease) as a percentage of all the occupants of all units.

2. You are not charged for utilities used in the common areas or used in our spaces. In the case of water, your bill does not include usage for shared amenities such as laundry rooms or pools.

12.1 3. Your bill may include a late payment charge, which is capped at \$5, and an
12.2 administrative billing charge, which is capped at \$8.

12.3 **What If I Fall Behind on Utility Payments or Have a Question About My Bill?**

12.4 1. If you fall behind on your payments, you have the right to a reasonable payment plan
12.5 that you and we mutually agree on to pay off the amount you owe. The plan must take into
12.6 account any financial and extenuating circumstances of your household that you tell us
12.7 about.

12.8 2. You may request, and we will timely provide, the utility bill we received from the
12.9 utility company and your percentage of the amount of the bill apportioned to tenants.

12.10 3. We must first try to resolve any disputes about your natural gas or electricity utility
12.11 charges, including those about payment agreements. If we cannot agree on a payment plan
12.12 or resolve any other dispute, you have the right to seek assistance from the Public Utilities
12.13 Commission's Consumer Affairs Office at 651-296-0406 or consumer.puc@state.mn.us."

12.14 **Subd. 11. Verification of apportioned bills.** No later than July 1, 2025, an organization
12.15 representing landlords shall work with organizations representing tenants and other relevant
12.16 groups and agencies to determine the steps necessary to, on each apportioned utility bill
12.17 rendered under leases entered into or renewed on or after July 1, 2026, enable a tenant to
12.18 understand how the tenant's utility bill was calculated and to verify that the calculation is
12.19 accurate.

12.20 **Subd. 12. Disconnection of utility service prohibited.** (a) Disconnection of a tenant's
12.21 utility service by a landlord for the failure to pay utility service charges is prohibited. Nothing
12.22 in this subdivision prohibits a public utility, a municipal utility, or a cooperative electric
12.23 association from disconnecting service to a landlord's building as otherwise provided by
12.24 law.

12.25 (b) If a landlord asserts a tenant owes rent and utilities, sums paid by the tenant to the
12.26 landlord must first be applied to unpaid rent.

12.27 (c) Except as provided in paragraph (d), a landlord may bring a claim for breach of lease
12.28 under section 504B.285, subdivision 4, for the failure of a tenant to pay for utilities billed
12.29 separately from rent as provided under this section.

12.30 (d) Notwithstanding paragraph (c):

12.31 (1) a landlord may not bring a claim for breach unless the landlord has offered the tenant
12.32 a payment plan under section 216B.023, subdivision 7, and the tenant has failed to make
12.33 two consecutive payments on the plan; and

13.1 (2) an eviction action may not be filed and any eviction already filed must be stayed:

13.2 (i) for the failure to pay natural gas or electric utility service charges during the cold
13.3 weather period;

13.4 (ii) for the failure to pay electric utility charges during a heat emergency; and

13.5 (iii) if the tenant notifies the landlord or the court that the tenant or a member of the
13.6 tenant's household is experiencing a medical emergency, or where medical equipment
13.7 requiring electricity necessary to sustain life is in use and certification of the emergency is
13.8 provided to the landlord or the court by a licensed medical health care professional within
13.9 five days of notification to the landlord or the court.

13.10 (e) If the failure to pay natural gas or electric utility charges occurs during the cold
13.11 weather period, or in the event of a medical emergency or where medical equipment requiring
13.12 electricity necessary to sustain life is in use, a landlord must follow the procedures set forth
13.13 in section 216B.023, subdivision 7.

13.14 (f) A violation of this subdivision is a violation of section 504B.221.

13.15 (g) For the purposes of this subdivision:

13.16 (1) "cold weather period" has the meaning given in section 216B.096, subdivision 2;

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

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

13.21 **Subd. 13. Procedure where landlord defaults on payments to the utility.** (a) A utility
13.22 provider supplying natural gas, electricity, or water and sewer, or another company supplying
13.23 home heating oil or propane, to a building who issues a final notice proposing to disconnect
13.24 or discontinue the service to the building because a landlord who has contracted for the
13.25 service has failed to pay for the service, or because a landlord is required by law or contract
13.26 to pay for the service and fails to do so, must provide notice to the residents of the impending
13.27 disconnection by posting in the building. The posting must be placed in at least one
13.28 conspicuous location in or on the building and provide tenants with, at a minimum, the
13.29 following information:

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

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

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

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

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

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

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

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

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

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

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

15.2 This paragraph does not require a municipality to alter the municipality's accounting system
15.3 or billing records if the tenant exercises the right to pay current charges and retain water
15.4 service. If there are multiple tenants in an affected property, the municipality is not required
15.5 to offer the right to pay current charges and retain service to more than one tenant in a
15.6 12-month period.

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

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

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

15.17 (g) This section does not restrict or prohibit a municipal utility provider from exercising
15.18 the municipal utility provider's authority pursuant to section 444.075, subdivisions 3 and
15.19 3e, to make contracts with and impose utility charges against property owners and to certify
15.20 unpaid charges to the county auditor with taxes against the property served for collection
15.21 as a tax.

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

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

15.31 Subd. 14. **Limitations; waiver prohibited; rights as additional.** The tenant rights
15.32 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 that 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.

Subd. 15. **Additional requirement.** By September 30 of each year, a landlord of a shared-metered residential building who bills for gas, electric utility charges, or both 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.

Subd. 16. **Violations.** A violation of subdivisions 2 to 12 is a violation of section 504B.161 and a violation of subdivisions 2, 3, 4, 5, 6, 7, 10, and 12 is a violation of section 504B.221.

Subd. 17. **Attorney general authority.** The attorney general has authority under section 8.31 to investigate and prosecute violations of this section.

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

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

(b) If a landlord files an eviction action for failure to pay for utility service in a shared-metered building, the court:

(1) if the tenant has filed a complaint involving natural gas or electricity utility service with the Public Utilities Commission under section 216B.024, must stay the action until the commission has made a final determination and must not require the defendant to pay any amount of money into court, post a bond, make a payment directly to a landlord, or by any other means post security for any purpose prior to final disposition of the complaint pursuant to section 216B.172, subdivisions 3 and 4. If the action proceeds following the final disposition of complaint, the court must not require the tenant to post any amount of money into court, post a bond, make a payment directly to a landlord, or by any other means post security for utility charges;

(2) if the tenant has not filed a complaint involving natural gas or electric utility service with the Public Utilities Commission under section 216B.024 or the eviction action is for nonpayment of water and sewer utility charges, and the tenant meets the requirements for a court fee waiver under section 563.01, must not require the tenant to post any amount of money into court, post a bond, make a payment directly to a landlord, or by any other means post security for utility charges; and

(3) if the tenant has not filed a complaint involving natural gas or electric utility service with the Public Utilities Commission under section 216B.024, and the tenant does not meet the requirements for a court fee waiver under section 563.01, may, in the court's discretion, require the tenant to pay an amount of money or post security as the court deems appropriate for prospective utility charges only.

(c) A court must not require a tenant to post rent as a condition of a tenant asserting an affirmative claim or defense, or a counterclaim related to landlord utility billings or practices.

(d) For the purposes of this section:

(1) "shared-metered residential building" has the meaning given in section 504B.216, subdivision 1, paragraph (e); and

(2) "utility service" has the meaning given in section 504B.216, subdivision 1, paragraph (i).

Sec. 9. REPEALER.

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

Sec. 10. EFFECTIVE DATE.

(a) Sections 1 to 6, 8, and 9 are effective January 1, 2025.

(b) Section 7 is effective January 1, 2025, for leases entered into or renewed on or after that date.

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.