

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4579

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Table with columns: DATE, D-PG, OFFICIAL STATUS. Rows include dates from 03/04/2024 to 05/13/2024 and corresponding bill numbers and descriptions.

1.1 A bill for an act
1.2 relating to energy; providing for and regulating shared-metered utility service in
1.3 residential buildings; amending Minnesota Statutes 2022, sections 216B.022;
1.4 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.

1.8 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:

1.10 216B.022 SUBMETERING IN SHARED-METERED RESIDENTIAL BUILDINGS.

1.11 Subdivision 1. Definitions. (a) For the purposes of this section and sections 216B.023
1.12 and 216B.024, the following terms have the meanings given.

1.13 (b) "Landlord" has the meaning given in section 504B.001, subdivision 7. Landlord
1.14 includes a third-party billing agent.

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

1.16 (d) "Shared-metered residential building" means a residential building with multiple
1.17 separate living units where the building's utility service is measured by fewer meters than
1.18 there are separate living units. Shared-metered residential building does not include a
1.19 manufactured home park.

1.20 (e) "Submeter" means a meter that is owned by a landlord and installed by the landlord
1.21 or by a third-party billing agent or other agent and that measures utility service consumed
1.22 solely within an individual living unit in the shared-metered residential building.

2.1 (f) "Tenant" means a person who is occupying a living unit in a residential building
2.2 under a lease or contract, whether oral or written, that requires the payment of money or
2.3 exchange of services, and all other regular occupants of that unit.

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

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

2.10 (i) "Utility service" means natural gas and electricity.

2.11 Subd. 2. **Submetering in shared-metered residential buildings.** (a) A landlord who
2.12 has installed submeters in a shared-metered residential building is subject to the commission's
2.13 authority under this chapter.

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

2.16 (c) All submeters, regardless of when they were installed, must accurately measure utility
2.17 service.

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

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

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

2.31 (c) If the inaccurate submeter has resulted in an undercharge, the landlord may bill the
2.32 tenant the difference between what the tenant paid and what the tenant would have paid if
2.33 the submeter correctly registered the tenant's utility service for a period not exceeding the

3.1 previous six months. Any undercharge the landlord seeks to collect must be recovered in
3.2 accordance with section 216B.023, subdivision 8.

3.3 (d) If a tenant has notified the landlord that the tenant suspects the tenant's submeter is
3.4 incorrectly registering the tenant's utility service, as provided in paragraph (a), and the
3.5 landlord has failed within a reasonable time to check the submeter and provide the tenant
3.6 with the results of a meter test showing the submeter is accurate, the landlord is prohibited
3.7 from recovering from the tenant any undercharge for the period between the date of the
3.8 tenant's notification and the date the submeter was checked.

3.9 Subd. 5. **Submeter fees.** A landlord is prohibited from charging to or collecting from
3.10 tenants any administrative, capital, or any other expenses associated with the installation,
3.11 maintenance, repair, replacement, or reading of submeters, unless the expense is due to the
3.12 tenant's willful, malicious, or negligent conduct.

3.13 **Sec. 2. [216B.023] BILLING; CONSUMER PROTECTIONS.**

3.14 Subdivision 1. **Billing.** (a) Where utility service is submetered, bills for utility service
3.15 provided by landlords to tenants must be based on actual submeter readings. Where natural
3.16 gas service is apportioned, billing for the service must comply with section 504B.216,
3.17 subdivisions 5 and 6.

3.18 (b) Landlords are prohibited from billing tenants who are submetered or whose natural
3.19 gas service is apportioned less frequently than the landlord is billed by the utility. Landlords
3.20 must include in the lease or, if there is no written lease, provide a written statement at the
3.21 outset of the lease term, notification of when utility bills will be issued.

3.22 (c) Bills rendered by landlords to tenants for submetered utility service must include, at
3.23 a minimum, the following information:

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

3.25 (2) the date of the present reading;

3.26 (3) the rate or rates, including peak and off-peak rates, at which the utility service is
3.27 being billed, the amount of the service billed at each separate rate, and the rate at which the
3.28 landlord is being billed by the utility provider for the utility service;

3.29 (4) any administrative charge charged in accordance with subdivision 4;

3.30 (5) the tenant's portion of taxes and surcharges;

3.31 (6) if any, the portion of any bill credit the landlord received from the utility provider
3.32 that is apportioned to the tenant;

4.1 (7) the total amount of the monthly bill; and

4.2 (8) the date by which payment is due; the date after which, if the bill is not paid, a late
4.3 payment charge may be imposed; and the amount of the charge, if any.

4.4 (d) Bills for utility service rendered by landlords who apportion natural gas service must:

4.5 (1) describe the formula used to apportion the service, as provided in section 504B.216,
4.6 subdivision 6;

4.7 (2) identify the portion, if any, of a bill credit the landlord received from the utility
4.8 provider that is apportioned to the tenant;

4.9 (3) identify what portion of the bill the landlord received from the utility provider that
4.10 is for common areas that is not being apportioned among tenants;

4.11 (4) include any administrative charge charged in accordance with subdivision 4; and

4.12 (5) include the date by which payment is due; the date after which, if the bill is not paid,
4.13 a late payment charge will be imposed; and the amount of the charge, if any.

4.14 Subd. 2. **Separate billing for electricity.** (a) A landlord who bills a tenant separately
4.15 from rent for electricity may not apportion for electricity usage and must comply with this
4.16 section, section 216B.022, and applicable provisions of section 504B.216, and is subject to
4.17 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 charged
4.21 by the utility provider as shown on the bill issued to the landlord by the provider. A landlord
4.22 may not charge any tenant for electricity consumed in common areas or in spaces used
4.23 exclusively or primarily by the landlord;

4.24 (2) charge a tenant only for the tenant's pro rata share of the fixed meter or service charge,
4.25 calculated by dividing the charge as shown on the bill issued to the landlord by the utility
4.26 provider equally among the number of units in the building; and

4.27 (3) charge a tenant only for the tenant's pro rata share of the taxes, surcharges, and flat
4.28 fees by dividing the sum of those charges as shown on the bill issued to the landlord by the
4.29 provider equally among the number of units in the building.

4.30 (c) A landlord must deduct from a tenant's total bill the tenant's pro rata share of any
4.31 bill credits or adjustments received by the landlord on the bill from the utility provider by
4.32 dividing the credit or adjustment equally among the number of units in the building.

5.1 Subd. 3. **Separate billing for natural gas.** (a) A landlord who bills tenants separately
5.2 from rent for natural gas may either install submeters or apportion natural gas.

5.3 (b) A landlord who submeters natural gas usage must comply with this section, section
5.4 216B.022, and applicable provisions of section 504B.216, and is subject to section 216B.024.

5.5 (c) A landlord who apportions natural gas usage must comply with subdivisions 4, 5, 6,
5.6 7, and 8 and applicable provisions of section 504B.216, and is subject to section 216B.024.

5.7 Subd. 4. **Administrative billing charge.** A landlord who bills separately from rent for
5.8 utility service may charge an administrative billing fee as provided in section 504B.216,
5.9 subdivision 8.

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

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

5.17 Subd. 6. **Late payment charges.** A landlord may impose one late payment fee per billing
5.18 period if a tenant's utility bill payment is not received by the landlord by the next scheduled
5.19 billing date. The late fee may not be added to subsequent bills on which subsequent late
5.20 fees are imposed. The amount of the late charge may not exceed one and one-half percent
5.21 per billing period on the delinquent amount.

5.22 Subd. 7. **Payment plans.** A landlord must offer a payment plan for the payment of utility
5.23 service arrears. The plan must be consistent with the tenant's financial circumstances and
5.24 any extenuating circumstances of the household.

5.25 Subd. 8. **Undercharges.** A landlord must offer a payment plan to tenants who have been
5.26 undercharged if no culpable conduct by the tenant or member of the tenant's household
5.27 caused the undercharge. The agreement must cover a period equal to the time over which
5.28 the undercharge occurred or a different time period that is mutually agreeable to the tenant
5.29 and the landlord. The plan must be consistent with the financial circumstances and any
5.30 extenuating circumstances of the customer's household. No interest or delinquency fee may
5.31 be charged as part of a payment plan under this subdivision.

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

6.3 A tenant disputing a bill or claiming a violation of section 216B.022 or 216B.023 must
 6.4 first attempt to resolve the dispute or claim with the landlord. If the tenant disagrees with
 6.5 the landlord's proposed resolution, the landlord must notify the tenant of the tenant's right
 6.6 to file a complaint with the commission and provide the phone number and email address
 6.7 of the commission's consumer affairs office. The consumer affairs office must follow the
 6.8 procedures set forth in section 216B.172, subdivision 2, and Minnesota Rules, part
 6.9 7829.3200, and the procedures under section 216B.72, subdivisions 3 and 4, apply.

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

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

6.16 (b) The commission has the authority to levy a fine as provided under section 216B.57
 6.17 for a violation of section 216B.022, 216B.023, or 216B.024 with respect to complaints filed
 6.18 by tenants under section 216B.023, subdivision 7. Nothing in this chapter limits the right
 6.19 of a tenant to seek or obtain judicial remedies.

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

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

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

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

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

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

7.2 (2) is unreasonable; or

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

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

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

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

7.11 (g) "Landlord" has the meaning given in section 216B.022, subdivision 1.

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

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

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

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

7.17 (l) "Third-party billing agent" has the meaning given in section 216B.022, subdivision
7.18 1.

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

7.21 Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve
7.22 a dispute with a public utility or a landlord. If dissatisfied with the proposed resolution by
7.23 the public utility or the landlord, the complainant may seek assistance of the commission
7.24 to resolve the matter by filing a complaint with the consumer affairs office. The consumer
7.25 affairs office must: (1) notify the complainant of the resolution of the complaint; and (2)
7.26 provide written notice of (i) the complainant's right to appeal the resolution to the
7.27 commission, and (ii) the steps the complainant may take to appeal the resolution. Upon
7.28 request, the consumer affairs office must provide to the complainant a written notice
7.29 containing the substance of and basis for the resolution. Nothing in this section affects any
7.30 other rights existing under this chapter or other law.

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

8.3 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions
8.4 apply.

8.5 (b) "Commission" means the Public Utilities Commission.

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

8.8 (d) "Shared-metered residential building" means a building with multiple separate living
8.9 units where the building's utility service is measured by fewer meters than there are separate
8.10 living units. Shared-metered residential building does not include a manufactured home
8.11 park.

8.12 (e) "Submeter" means a meter that is owned by a landlord and installed by the landlord
8.13 or by a third-party billing agent or other agent and that measures utility service consumed
8.14 solely within an individual living unit in the shared-metered residential building.

8.15 (f) "Third-party billing agent" has the meaning given in section 216B.022, subdivision
8.16 1.

8.17 (g) "Utility provider" means a public utility, a municipal utility, a cooperative electric
8.18 association, or a local municipal water company providing utility service.

8.19 (h) "Utility service" means natural gas, electricity, or water and sewer.

8.20 Subd. 2. **Landlord is bill payer and customer of record.** (a) The landlord of a
8.21 shared-metered residential building must be the bill payer responsible and must be the
8.22 customer of record contracting with a utility provider for utility service. The landlord must
8.23 advise the utility provider that the utility services apply to a shared-metered residential
8.24 building.

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

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

8.29 Subd. 3. **Submetering of electricity and natural gas.** A landlord who submeters natural
8.30 gas or electricity must comply with this section and sections 216B.022 and 216B.023, and
8.31 is subject to section 216B.024.

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

9.5 (b) A landlord who submeters water must:

9.6 (1) bill tenants according to the provisions of section 216B.023, subdivision 1, paragraphs
9.7 (a) to (c);

9.8 (2) charge tenants according to the provisions of section 216B.023, subdivision 2,
9.9 paragraphs (a) to (c); and

9.10 (3) comply with sections 216B.022, subdivision 4, and 216B.023, subdivisions 5, 6, 7,
9.11 and 8.

9.12 (c) A landlord may not charge to or collect from tenants any administrative, capital, or
9.13 any other expenses associated with the installation, maintenance, repair, replacement, or
9.14 reading of submeters, unless the expense is due to the tenant's willful, malicious, or negligent
9.15 conduct.

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

9.17 (b) A landlord who apportions natural gas or water and sewer, or both, must include in
9.18 the lease a provision that, upon a tenant's request, the landlord must provide a copy of the
9.19 actual natural gas or water and sewer utility bill for the building along with each apportioned
9.20 water and sewer utility bill. Upon a tenant's request, a landlord must also provide past copies
9.21 of water and sewer utility bills for any period of the tenancy for which the tenant received
9.22 an apportioned utility bill.

9.23 Subd. 6. **Apportionment of natural gas.** A landlord may apportion natural gas used
9.24 only in the tenant's unit and may apportion fixed meter or services charges and taxes only
9.25 according to the formula set forth in clauses (1) to (4) and as agreed to by the landlord and
9.26 tenant in the lease or a written agreement:

9.27 (1) a tenant's apportioned natural gas usage must be based solely on the square footage
9.28 in the tenant's unit. A landlord may not charge any tenant for natural gas consumed in
9.29 common areas or in spaces used exclusively or primarily by the landlord;

9.30 (2) if there is a fixed meter or service charge on the bill the landlord receives from the
9.31 utility provider, the landlord may apportion to the tenant only the tenant's pro rata share of
9.32 that charge, calculated by dividing the charge as shown on the bill issued to the landlord by
9.33 the utility provider equally among the number of units in the building;

10.1 (3) the landlord may charge a tenant only for the tenant's pro rata share of the taxes,
10.2 surcharges, and flat fees by dividing the sum of those charges as shown on the bill issued
10.3 to the landlord by the provider equally among the number of units in the building; and

10.4 (4) the landlord must deduct from a tenant's total bill the tenant's pro rata share of any
10.5 bill credits or adjustments received by the landlord on the bill from the utility provider by
10.6 dividing the credit or adjustment equally among the number of units in the building.

10.7 Subd. 7. **Apportionment of water and sewer.** A landlord may apportion water used
10.8 only in the tenant's unit and may apportion fixed meter or services charges, fixed sewer
10.9 charges, and taxes only according to the formula set forth in clauses (1) to (4) and as agreed
10.10 to by the landlord and tenant in the lease or a written agreement:

10.11 (1) a tenant's apportioned water usage must be based solely on a combination of square
10.12 footage in the tenant's unit and the unit's occupancy. A landlord may not charge any tenant
10.13 for water usage in common areas, for maintenance of the property, for amenities including
10.14 but not limited to laundry facilities and pools, or in spaces used exclusively or primarily by
10.15 the landlord;

10.16 (2) if there is a fixed meter or service charge on the bill the landlord receives from the
10.17 utility provider, the landlord may apportion to the tenant only the tenant's pro rata share of
10.18 that charge, calculated by dividing the charge as shown on the bill issued to the landlord by
10.19 the utility provider equally among the number of units in the building;

10.20 (3) the landlord may charge a tenant only for the tenant's pro rata share of the taxes,
10.21 surcharges, and flat fees by dividing the sum of those charges as shown on the bill issued
10.22 to the landlord by the provider equally among the number of units in the building; and

10.23 (4) the landlord must deduct from a tenant's total bill the tenant's pro rata share of any
10.24 bill credits or adjustments received by the landlord on the bill from the utility provider by
10.25 dividing the credit or adjustment equally among the number of units in the building.

10.26 Subd. 8. **Administrative billing charge.** A landlord who bills separately from rent for
10.27 any utility service may charge a tenant a single administrative billing fee per billing period
10.28 for all the utilities that are separately billed that does not exceed \$8. No other fees may be
10.29 charged to or collected from tenants for utility service, including but not limited to any
10.30 administrative, capital, or any other expenses associated with the installation, maintenance,
10.31 repair, replacement, or reading of submeters, unless the expense involving a submeter is
10.32 due to the tenant's willful, malicious, or negligent conduct.

11.1 Subd. 9. **Disconnection of utility service prohibited.** (a) Disconnection of a tenant's
11.2 utility service by a landlord for the failure to pay utility service charges is prohibited. Nothing
11.3 in this subdivision prohibits a public utility, a municipal utility, or a cooperative electric
11.4 association from disconnecting service to a landlord's single meter as otherwise allowed by
11.5 law.

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

11.8 (c) Tenant payments toward rent may not be designated as payments toward utility
11.9 service and tenant utility service payments may not be designated as rent. A landlord may
11.10 bring a claim for breach of lease under section 504B.285, subdivision 4, for the failure of
11.11 a tenant to pay for utilities billed separately from rent as allowed under this section, except
11.12 as provided in paragraph (d). There shall be no presumption that a claim brought for breach
11.13 for the failure to pay for utilities is material or warrants entry of a writ of recovery or other
11.14 eviction remedy.

11.15 (d) Notwithstanding paragraph (c):

11.16 (1) a landlord may not bring a claim for breach unless the landlord has offered an eligible
11.17 tenant and the tenant has defaulted on a payment agreement to pay amounts owed for utility
11.18 charges, as required under section 216B.023, subdivision 7;

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

11.20 (i) the failure to pay gas or electric utility service charges during the cold weather period;

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

11.22 (iii) if the tenant notifies the landlord or the court that the tenant or a member of the
11.23 tenant's household is experiencing a medical emergency or where medical equipment
11.24 requiring electricity necessary to sustain life is in use and certification of the emergency is
11.25 provided to the landlord or the court by a licensed medical health care professional within
11.26 three days of notification to the landlord or the court; and

11.27 (3) the tenant may, at any time before possession has been delivered, cure the breach by
11.28 bringing to court the amount of the utility charges that are in arrears, with an additional
11.29 charge as provided under section 216B.023, subdivision 7.

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

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

12.2 (g) For the purposes of this subdivision:

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

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

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

12.8 **Subd. 10. Procedure where landlord defaults on payments to the utility.** (a) A utility
 12.9 provider supplying natural gas, electricity, or water, or another company supplying home
 12.10 heating oil or propane, to a building who issues a final notice proposing to disconnect or
 12.11 discontinue the service to the building because a landlord who has contracted for the service
 12.12 has failed to pay for it or because a landlord is required by law or contract to pay for the
 12.13 service and fails to do so must provide notice to the residents of the impending disconnection
 12.14 by posting in the building. The posting must be placed in at least one conspicuous location
 12.15 in or on the building and provide tenants with, at a minimum, the following information:

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

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

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

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

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

12.29 (b) In the case of natural gas or electricity, if the landlord has not paid the bill by the
 12.30 time of the tenant's intended payment or if the service remains discontinued, the tenant or
 12.31 tenants may pay the current charges for the most recent billing period and the utility company
 12.32 or municipality must restore the service for at least one billing period. In a residential

13.1 building with less than five units, one of the tenants may notify the utility company or
 13.2 municipality that the tenant agrees to become the bill payer responsible and customer of
 13.3 record and the utility company or municipality must place the account disconnected or
 13.4 subject to disconnection in the tenant's name and provide service prospectively, provided
 13.5 the tenant satisfies all requirements for establishing service. A tenant becoming the customer
 13.6 of record of a cooperative electric association does not acquire membership rights. Exercise
 13.7 of the right to pay the current charges for the most recent billing period does not preclude
 13.8 exercising the right to become the bill payer responsible and customer of record, provided
 13.9 that if there are multiple tenants in an affected multifamily building, the utility company or
 13.10 municipality is not required to offer the right to become the bill payer responsible and the
 13.11 customer of record to more than one tenant in a 12-month period.

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

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

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

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

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

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

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

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

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

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

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

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

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

14.16 Subd. 11. **Limitations; waiver prohibited; rights as additional.** The tenant rights
14.17 under this section:

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

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

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

14.24 Subd. 12. **Additional requirement.** By September 30 of each year, a landlord of a
14.25 shared-metered residential building who bills for gas and electric utility charges separate
14.26 from rent must inform tenants in writing of the possible availability of energy assistance
14.27 from the low-income home energy assistance program. The information must contain the
14.28 toll-free telephone number of the administering agency.

14.29 Subd. 13. **Violations.** A violation of subdivisions 2 to 9 is a violation of sections
14.30 504B.161 and 504B.221.

14.31 Subd. 14. **Attorney general authority.** The attorney general has authority under section
14.32 8.31 to investigate and prosecute violations of this section.

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

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

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

15.9 (1) if the tenant has filed a complaint involving utility service with the Public Utilities
15.10 Commission under section 216B.024, must stay the action until the commission has made
15.11 a final determination and may not require the defendant to pay any amount of money into
15.12 court, post a bond, make a payment directly to a landlord, or by any other means post security
15.13 for any purpose prior to final disposition of the complaint pursuant to section 216B.172,
15.14 subdivisions 3 and 4. The procedures described in clauses (2) and (3) regarding payment
15.15 of money into court or to the landlord or posting a bond or security apply to any subsequent
15.16 action taken under this subdivision;

15.17 (2) if the tenant has not filed a complaint involving utility service with the public utilities
15.18 commission under section 216B.024, and the tenant meets the requirements for a fee waiver,
15.19 may not require the tenant to post any amount of money into court, post a bond, make a
15.20 payment directly to a landlord, or by any other means post security for utility charges; and

15.21 (3) if the tenant has not filed a complaint involving utility service with the public utilities
15.22 commission under section 216B.024, and the tenant does not meet the requirements to
15.23 proceed in forma pauperis, may, in its discretion, require the tenant to pay an amount of
15.24 money or post security as it deems appropriate for prospective utility charges only.

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

15.27 Sec. 9. **REPEALER.**

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

15.29 Sec. 10. **EFFECTIVE DATE.**

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

- 16.1 (b) Section 7 is effective January 1, 2025, for leases entered into or renewed on or after
- 16.2 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.