

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE BILL 661

Short Title: Contiguous Premises/Allocate Cost for Water. (Public)

Sponsors: Senator Clodfelter.

Referred to: Judiciary I.

March 19, 2009

A BILL TO BE ENTITLED
AN ACT AUTHORIZING LESSORS OF CONTIGUOUS PREMISES TO ALLOCATE THE
COST FOR WATER AND SEWER SERVICE TO EACH TENANT USING
EQUIPMENT THAT MEASURES HOT WATER USAGE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-110(g) reads as rewritten:

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

(1) All charges for water or sewer service shall be based on the user's metered consumption of water, which shall be determined by metered measurement of all water consumed and not by any partial measurement of water consumption, unless specifically authorized by the Commission consumed. The rate charged by the lessor shall not exceed the unit consumption rate charged by the supplier of the service.

(1a) If the contiguous premises were built prior to 1989 and the lessor determines that the measurement of the tenant's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the tenant using equipment that measures the tenant's hot water usage. In that case, each tenant shall be billed a percentage of the landlord's water and sewer costs for water usage in the dwelling units based upon the hot water used in the tenant's dwelling unit. The percentage of total water usage allocated for each dwelling unit shall be equal to that dwelling unit's individually submetered hot water usage divided by all submetered hot water usage in all dwelling units. The following conditions apply to billing for water and sewer service under this subdivision:

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

b. The lessor shall not include in a tenant's bill the cost of water and sewer service used in common areas or water loss due to leaks in the lessor's water mains. A lessor shall not bill or attempt to collect for excess water usage resulting from a plumbing malfunction or other



- 1 condition that is not known to the tenant or that has been reported to
- 2 the lessor.
- 3 c. All equipment used to measure water usage shall comply with
- 4 guidelines promulgated by the American Water Works Association.
- 5 d. The lessor shall maintain records for a minimum of 12 months that
- 6 demonstrate how each tenant's allocated costs were calculated for
- 7 water and sewer service. Upon advanced written notice to the lessor,
- 8 a tenant may inspect the records during reasonable business hours.
- 9 e. Bills for water and sewer service sent by the lessor to the tenant shall
- 10 contain all the following information:
- 11 1. The amount of water and sewer services allocated to the
- 12 tenant during the billing period.
- 13 2. The method used to determine the amount of water and sewer
- 14 services allocated to the tenant.
- 15 3. Beginning and ending dates for the billing period.
- 16 4. The past-due date, which shall not be less than 25 days after
- 17 the bill is mailed.
- 18 5. Any late fee that will be applied if the bill is not paid by the
- 19 past-due date.
- 20 6. A local or toll-free telephone number and address that the
- 21 tenant can use to obtain more information about the bill.
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SECTION 2. This act becomes effective July 1, 2010.