

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 2105

103RD GENERAL ASSEMBLY

5438H.02P

JOSEPH ENGLER, Chief Clerk

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## AN ACT

To amend chapters 386 and 441, RSMo, by adding thereto two new sections relating to water and sewer service for rental property.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapters 386 and 441, RSMo, are amended by adding thereto two new sections, to be known as sections 386.021 and 441.239, to read as follows:

**386.021. An owner or operator of a premises or the owner's or operator's third-party water and sewer usage billing provider who furnishes water and sewer services to lessees and charges lessees separately for their use of water and sewer services in accordance with section 441.239 shall not be considered a "public utility", "sewer corporation", or "water corporation" under this chapter or chapter 393, nor shall the lessees of such owner or operator of a premises be considered a customer of any "public utility", "sewer corporation", or "water corporation" under this chapter or chapters 386 and 393.**

**441.239. 1. Except as otherwise provided in this section, an owner or operator of a premises that is supplied water and sewer services by a "public utility" as defined in section 386.020 or other state-certified corporation who furnishes water and sewer services only to lessees on the premises and not to the public may:**

**(1) Utilize a separate meter to measure water and sewer usage within lessees' dwelling units and charge lessees separately for water and sewer usage in accordance with the measurement calculated through use of this separate meter; or**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

8           **(2) Employ a program that utilizes a mathematical formula for the purpose of**  
9 **calculating and allocating among all lessees those aggregate water and sewer usage**  
10 **charges for which the owner or operator receives a bill.**

11           **2. An owner or operator of premises upon which common areas are available for**  
12 **use by all lessees may, in accordance with this section, utilize a mathematical formula**  
13 **for the purpose of calculating and allocating among all lessees those aggregate, common-**  
14 **area water and sewer usage charges for which the owner or operator receives a bill.**

15           **3. An owner or operator of premises who seeks to charge lessees separately for**  
16 **water and sewer usage in accordance with subdivision (1) of subsection 1 of this section**  
17 **shall disclose on each lessee's water and sewer usage bill the lessee's individual water**  
18 **and sewer usage charges during the current billing period, meter readings taken at the**  
19 **beginning and end of the current billing period, and the dates those meter readings were**  
20 **taken.**

21           **4. An owner or operator of premises who seeks to allocate water and sewer usage**  
22 **charges among lessees in accordance with subdivision (2) of subsection 1 of this section**  
23 **and subsection 2 of this section shall first provide to potential lessees a clear and written**  
24 **description of the mathematical formula used to calculate and allocate water and sewer**  
25 **usage charges prior to the commencement of a lease.**

26           **5. The total amount of water and sewer usage charges billed to lessees in**  
27 **accordance with subsections 1 and 2 of this section shall not exceed the amount charged**  
28 **to the owner or operator by the public utility or state-certified corporation, including**  
29 **applicable taxes and surcharges.**

30           **6. An owner or operator may charge and collect from lessees reasonable fees for**  
31 **costs incurred by the owner or operator related to the provision of administrative**  
32 **services undertaken to implement water and sewer usage billing in accordance with**  
33 **subsections 1 and 2 of this section, provided that such charges are first disclosed to**  
34 **lessees prior to the commencement of a lease.**

35           **7. An owner or operator may charge and collect from lessees a fee for late**  
36 **payment of charges billed to lessees in accordance with subsections 1 and 2 of this**  
37 **section. The late charge shall be deemed as rent.**

38           **8. An owner or operator of premises may hire a third-party provider to carry**  
39 **out water and sewer usage billing services in accordance with subsections 1 and 2 of this**  
40 **section. In carrying out water and sewer usage billing services on behalf of an owner or**  
41 **operator of a premises, a third-party water and sewer usage billing provider shall**  
42 **comply with subsections 3, 4, and 5 of this section.**

43           **9. An owner's or operator's third-party water and sewer usage billing provider**  
44 **may charge and collect from lessees reasonable fees for costs incurred related to the**

45 **provision of administrative services undertaken to implement water and sewer usage**  
46 **billing in accordance with subsection 6 of this section.**

47 **10. An owner's or operator's third-party water and sewer usage billing provider**  
48 **may charge and collect from lessees a fee for late payment of charges billed to lessees in**  
49 **accordance with subsection 7 of this section. The late charge shall be deemed as rent.**

50 **11. An owner or operator of premises or the owner's or operator's third-party**  
51 **water and sewer usage billing provider's furnishing to lessees of water and sewer**  
52 **services and the charging of lessees separately for their use of water and sewer services**  
53 **in accordance with this section shall not constitute the sale or resale of water and sewer**  
54 **services that may be subject to the jurisdiction of the Missouri public service**  
55 **commission.**

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