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RESIDENTIAL TENANTS AND WATER BILLS IN BALTIMORE CITY

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TENANTS AND WATER BILLS

CURRENT STATE OF THE LAW

- Tenant is not the customer of DPW; LL has ultimate responsibility for water/sewer bill.
- DPW does not control how LL privately assigns use and financial responsibility for water/sewer service.
- Tenant has no statutory right to participate in DPW’s discount programs or bill dispute resolution process.
- Tenant’s obligation to pay water/sewer costs to the landlord under Real Prop. art. § 8-205.1 (2018):
  Where the property is one or two residential dwelling units
  - LL must use a written lease specifying the tenant is responsible for making payments for water services to LL
  - LL must provide a copy of the water/sewer bill to the tenant
- Not included in 8-205.1: tenants in MFDs, tenants who are obligated under lease to pay to DPW
WATER DISCOUNTS

WATER BILLS AND AFFORDABILITY PROGRAMS.

- HTTPS://PUBLICWORKS.BALTIMORECITY.GOV/
- HTTPS://PUBLICWORKS.BALTIMORECITY.GOV/BALTIMORE%20WATER%20AFFORDABILITY%20PROGRAMS
- BH2O BILLING ASSISTANCE PROGRAM
- LOW-INCOME WATER BILL ASSISTANCE PROGRAM
- MONTHLY WATER BILL PAYMENT PLAN PROGRAM
- MEDICAL EXEMPTION PROGRAM

- THE LANDLORD DOES HAVE TO AGREE TO BE COOPERATIVE WITH THE TENANT AND ALLOW THE TENANT ACCESS TO THE BILL.

WATER ACCOUNTABILITY & EQUITY ACT

• This Baltimore City legislation was unanimously passed by City Council in November 2019 and signed by the Mayor on January 13, 2020.

• Water Accountability and Equity Act
  - **Water-for-All Discount Program** — increases the affordability of water and wastewater service to low-income consumers
  - **Office of Water-Customer Advocacy and Appeals** — administers a comprehensive, fair process for all consumers to contest bills, cut-off of water services, liens, and other agency actions
  - Semi-annual reports to the City Council on their water credit program and water billing dispute outcomes
TENANTS AND WATER BILLS

CHANGES COMING UNDER WAEA (EFF. JULY 13, 2020)

• Tenant will be defined as a customer of DPW, but LL will still have ultimate responsibility for the bill.

• As a “customer,” tenant will have statutory right to participate in DPW’s discount programs and bill dispute resolution/appeals process.

• For all tenants, no matter the type of property, the tenant’s obligation to pay water/sewer costs to DPW or to the landlord requires that
  • LL uses a written lease describing the obligation
  • The lease provides tenant “designee” status under MPIA to request any account record from DPW
  • LL must either timely provide a copy of the water/sewer bill to the tenant or timely notify DPW that bill should be sent directly to tenant.
  • For “master meter” MFD properties: lease must describe the calculation method for allocation of charges and the average monthly cost over 12 mos. preceding execution/renewal of the lease.
WATER-FOR-ALL DISCOUNT PROGRAM

TIERED CREDITS BASED ON HOUSEHOLD INCOME

Residents earning between 0-200% of the Federal Poverty Line receive water bills they can actually afford to pay. (Currently, the Federal Poverty Line for a family of four is $25,750 a year.)

• 0-50% of FPL: bills reduced to 1% of household income
• 51-100% of FPL: bills reduced to 2% of household income
• 101-200% of FPL: bills reduced to 3% of household income

• Deferred debt: Recipients will not have to pay additional fees, interest or catch-up payments on pre-existing water debt while enrolled in the program
• Paying down debt: Each on-time complete payment made by a recipient is also credited towards their pre-enrollment water debt in the amount of said payment until all water debt is paid off
Credit Calculation

\[ C = B - I \times A \]

- **Annual Credit**: Disbursed in 12 equal increments on a monthly basis.
- **Annual Water and Sewer Bill**: Projected bill calculated using approved rates and household’s previous annual usage.
- **Annual Household Income**: Calculated same way as the Maryland Electric Universal Service Fund.
- **Affordability Threshold**:
  - 1% | 1 – 49% FPL
  - 2% | 50 – 100% FPL
  - 3% | 101 – 200% FPL
BILL DISPUTES UNDER WAEA

Customers seek assistance of Customer Advocate:

- By submitting a written or oral request
- Within 90 days of a DPW action/decision related to discount program, water/sewer billing, cut-off, or lack of notice of billing-related issue.

Customer Advocate may provide equitable relief in form of

- Change amount due for a bill
- Reversal of an agency decision
- Customer Advocate releases an investigative report, from which the customer may file an appeal within 30 days
- In hearing before ECB, customer has right to submit evidence, rebut evidence, conduct cross-examination.
- ECB determination must be reviewed by DPW Director. Customer may ultimately appeal for judicial review in Circuit Court.
- No cut-off of service while a dispute/appeal is pending.
BANKRUPTCY AND WATER BILLS TENANTS OWE

• GENERALLY IF A TENANT OWES A WATER BILL THE BILL CAN BE DISCHARGED IN BANKRUPTCY.
• THIS CAN BE HELPFUL IF THE TENANT IS A PERSON WHO IS A TENANT UNDER THE HOUSING CHOICE VOUCHER PROGRAM (SECTION 8) BUT A REPAYMENT PLAN WITHOUT BANKRUPTCY IS OFTEN A BETTER OPTION IF THAT WILL WORK.
• COLLECTION OF THE BILL IS STAYED BY THE FILING OF A BANKRUPTCY.
• A TENANT THAT FILED A BANKRUPTCY UNDER CHAPTER 7 OF 11 U.S.C. AND RECEIVED A DISCHARGE WITHIN THE LAST EIGHT (8) YEARS MAY NOT BE ABLE TO FILE A CHAPTER 7 AND THEN WOULD HAVE TO FILE UNDER CHAPTER 13 WHICH IS A REPAYMENT PLAN THROUGH THE BANKRUPTCY COURT.
WATER BILLS AND EVICTION

“WATER IS ADDITIONAL RENT”

Most residential leases include terms that allow LL to pay a utility bill on T’s behalf when necessary and to classify the charges as “added” or “additional” rent, presumably so that LL can collect the charges through FTPR actions.

- Clearly permitted in commercial leases, but less clear in residential
  - Is the added charge “readily ascertainable,” “going to use and enjoyment of premises”? Was there equal bargaining power between the parties?
- Most judges in Baltimore City District Court do not allow inclusion of water bills in the FTPR complaint, but most allow allocation of rent payments to “oldest charges” on the balance
- Federally subsidized tenancies have additional protections.

BREACH OF LEASE ACTIONS

• Is prospect of cut-off or lien a substantial violation under Real Prop. § 8-402.1?
• No express right to cure, but attempt to adjust bill via DPW is relevant evidence.
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By taking a case today, you are helping MVLS to ensure justice for all.

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**Single Moms Can’t Afford A Large Payment**

Client is being sued by the former landlord for $1,814.50. The client was entering a new home but all of the death reportedly ordered to the amount she has to pay court order to be paid for $7,925.50 as of 1:48pm.

**I Admit To The Debt, But Can We Negotiate A Settlement**

Client is being sued by $150,000 for hiding money to make payments toward a debt. Client agrees that she owes the debt. There are no judgments entered in the case. Client has paid approximately $1,500 toward the debt and would like to work out a settlement for the remaining. Plaintiff Upset, and $2,000 as $999.99 Total, 33% at initial.

**You Need Help To Write A Demand Letter To Not Have A Lawsuit**

Client wishes to initiate a legal action but later after thinking that the claim is filed. Client is unsure of the process. Need help writing a claim, and the help in the rating.

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Location: [Enter Location]

Title: [Enter Title]

User Type: [Enter User Type]

Deadline: [Enter Deadline]

Share Case

Learn More

---

Location: [Enter Location]

Title: [Enter Title]

User Type: [Enter User Type]

Deadline: [Enter Deadline]

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Title: [Enter Title]

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Deadline: [Enter Deadline]

Share Case

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