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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-SIXTH
SESSION**

HOUSE FILE No. 3849

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The bill was read for the first time and referred to the Committee on Environment Policy and Oversight

1.1 A bill for an act
1.2 relating to municipal water services; establishing powers, requirements, and
1.3 procedures for residential water service by municipal utilities; amending
1.4 Minnesota Statutes 2008, sections 116A.22; 435.193; 444.075, subdivision 3e;
1.5 456.33; 504B.215, subdivision 3; proposing coding for new law as Minnesota
1.6 Statutes, chapter 444A.

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

1.8 Section 1. Minnesota Statutes 2008, section 116A.22, is amended to read:

1.9 **116A.22 SERVICE CHARGES; A SPECIAL ASSESSMENT AGAINST**
1.10 **BENEFITED PROPERTY.**

1.11 Charges established for connections to and the use and availability of service from
1.12 any water or sewer or combined system, if not paid when due, shall, together with any
1.13 penalties established for nonpayment, become a lien upon the property connected or for
1.14 which service was made available. On or before July 1 in each year written notice shall be
1.15 mailed to the owner of any property as to which such charges are then due and unpaid,
1.16 stating the amount of the charges and any penalty thereon and that unless paid by October
1.17 1 thereafter, or unless a hearing is desired on the question whether such amount and
1.18 penalty is properly due and payable, the same will be certified, extended, and assessed as a
1.19 tax or special assessment upon the property for collection with and as a part of other taxes
1.20 in the following year. Any property owner requesting notice shall be notified of the time
1.21 and place of such hearing, and the county board, or the commission appointed pursuant
1.22 to section 116A.24 shall then hear all matters presented by the owner and determine the
1.23 amount and penalty, if any, which is properly due and payable, and shall cause the same
1.24 to be certified, extended, and assessed as stated in the notice. ~~The county board or the~~
1.25 ~~commission may also provide by resolution for discontinuance of water services to any~~

2.1 ~~premises in the event of nonpayment of charges for any water or sewer service provided to~~
 2.2 ~~the premises, upon reasonable notice to the owner and opportunity for hearing upon any~~
 2.3 ~~claim that the charges are not properly due and payable.~~

2.4 Sec. 2. Minnesota Statutes 2008, section 435.193, is amended to read:

2.5 **435.193 HARDSHIP ASSESSMENT DEFERRAL FOR SENIORS,**
 2.6 **DISABLED, OR MILITARY PERSONS.**

2.7 (a) Notwithstanding the provisions of any law to the contrary, any county, statutory
 2.8 or home rule charter city, or town, making a special assessment ~~may, at its discretion,~~ must
 2.9 defer the payment of that assessment for any homestead property:

2.10 (1) owned by a person 65 years of age or older or retired by virtue of a permanent
 2.11 and total disability for whom it would be a hardship to make the payments; or

2.12 (2) owned by a person who is a member of the Minnesota National Guard or other
 2.13 military reserves who is ordered into active military service, as defined in section 190.05,
 2.14 subdivision 5b or 5c, as stated in the person's military orders, for whom it would be a
 2.15 hardship to make the payments.

2.16 (b) ~~Any~~ Every county, statutory or home rule charter city, or town ~~electing to defer~~
 2.17 ~~special assessments~~ shall adopt an ordinance or resolution establishing standards and
 2.18 guidelines for determining the existence of a hardship and for determining the existence of
 2.19 a disability, but nothing herein shall be construed to prohibit the determination of hardship
 2.20 on the basis of exceptional and unusual circumstances not covered by the standards and
 2.21 guidelines where the determination is made in a nondiscriminatory manner and does not
 2.22 give the applicant an unreasonable preference or advantage over other applicants.

2.23 Sec. 3. Minnesota Statutes 2008, section 444.075, subdivision 3e, is amended to read:

2.24 Subd. 3e. **Who may be charged; unpaid charges.** The governing body may make
 2.25 the charges a charge against the owner, ~~lessee, occupant or all of them~~ or customer, as
 2.26 that term is defined under section 444A.04, subdivision 5, or the guarantor, as that term
 2.27 is defined under section 444A.04, subdivision 8, and may provide and covenant for
 2.28 certifying unpaid charges to the county auditor with taxes against the property served
 2.29 for collection as other taxes are collected.

2.30 Sec. 4. **[444A.01] SHORT TITLE.**

2.31 Sections 444A.02 to 444A.20 may be cited as the Municipal Water Consumer
 2.32 Protection Act of 2010.

3.1 Sec. 5. **[444A.02] POLICY.**

3.2 Because water is essential to life and critical to human health and well-being,
3.3 and because that water is provided exclusively by municipal utilities, it is the policy of
3.4 this state that the availability and continuous provision of residential water service is a
3.5 government benefit to which Minnesota citizens are entitled.

3.6 Sec. 6. **[444A.03] APPLICABILITY.**

3.7 The provisions of this chapter apply to the provision of residential water service by
3.8 municipal utilities.

3.9 Sec. 7. **[444A.04] DEFINITIONS.**

3.10 Subdivision 1. **Definitions.** For purposes of sections 444A.02 to 444A.20, the
3.11 following terms have the meanings given them.

3.12 Subd. 2. **Applicant.** "Applicant" means a natural person applying for new water
3.13 service.

3.14 Subd. 3. **Business day.** "Business day" means Monday through Friday, excluding
3.15 any holidays as defined under section 645.44.

3.16 Subd. 4. **Completed application.** "Completed application" means the provision
3.17 by an applicant of all information required by the municipality on an oral or written
3.18 application for water service.

3.19 Subd. 5. **Customer.** "Customer" means the person or persons contracting with a
3.20 municipality for water service.

3.21 Subd. 6. **Disconnection.** "Disconnection" means water service that has been
3.22 discontinued by the municipality for nonpayment of charges or violation of law, ordinance,
3.23 rule, or policy. Disconnection does not include voluntary disconnection.

3.24 Subd. 7. **Existing service.** "Existing service" means water service that is presently
3.25 being provided or has been provided within the previous six months.

3.26 Subd. 8. **Guarantor.** "Guarantor" means a person other than the customer who
3.27 guarantees payment of charges for water service incurred by the customer.

3.28 Subd. 9. **Inside meter.** "Inside meter" means a device for measuring water
3.29 consumption that is placed inside a dwelling.

3.30 Subd. 10. **Municipality.** "Municipality" means any city, including a city operating
3.31 under a home rule charter, a county, a town, or a water district that causes to be constructed
3.32 and maintained, or operates, a public waterworks or sewer system for residential use.
3.33 Municipality includes a public utilities commission established under section 412.331.

4.1 Subd. 11. **Municipally owned equipment.** "Municipally owned equipment" means
 4.2 any equipment owned, leased, or controlled by a municipality for the purpose of providing
 4.3 water service, including but not limited to meters, curb boxes, curb cocks, valves, valve
 4.4 boxes, service pipes, outlets, treatment plants, pumps, lift stations, service connections,
 4.5 mains, hydrants, wells, reservoirs, and tanks.

4.6 Subd. 12. **New service.** "New service" means water service that is not presently
 4.7 being provided or has not been provided within the previous six months.

4.8 Subd. 13. **Owner.** "Owner" means the person holding legal title to a property that is
 4.9 provided with water service by the municipality. Owner includes an agent of the person
 4.10 holding legal title to a property that is provided with water service by the municipality.

4.11 Subd. 14. **Person.** "Person" includes an individual, firm, corporation, association,
 4.12 limited liability company, partnership, limited liability partnership, and other business
 4.13 organizations.

4.14 Subd. 15. **Remote meter.** "Remote meter" means a device for measuring water
 4.15 consumption that is placed in a location external to the dwelling and that does not require
 4.16 entry into a dwelling for meter reading, maintenance, repair, or replacement.

4.17 Subd. 16. **Remote transponder.** "Remote transponder" means an electronic device
 4.18 located outside the property being provided with water service that enables meters to be
 4.19 read remotely through a telecommunications device.

4.20 Subd. 17. **Service connection.** "Service connection" means the equipment,
 4.21 including pipes, necessary to connect a dwelling to the municipal waterworks system.

4.22 Subd. 18. **Single-metered residential building.** "Single-metered residential
 4.23 building" has the meaning given the term under section 504B.215, subdivision 1.

4.24 Subd. 19. **Voluntary disconnection.** "Voluntary disconnection" means
 4.25 disconnection of service at the request of the customer.

4.26 Subd. 20. **Water service.** "Water service" means the connection, availability, and
 4.27 use of residential water and sewer service, and all municipally owned equipment and
 4.28 appurtenances necessary for the installation, delivery, metering, and billing of the service.

4.29 **Sec. 8. [444A.05] PROVISION OF NEW SERVICE.**

4.30 Subdivision 1. **Obligation to serve.** A municipality must provide new service to
 4.31 any applicant unless the municipality has a permissible reason under section 444A.06,
 4.32 subdivision 2, to deny service.

4.33 Subd. 2. **Permissible requirements.** (a) A municipality may establish reasonable
 4.34 requirements as a condition of obtaining new service, which may include, without
 4.35 limitation:

- 5.1 (1) completion of a written application that complies with subdivision 3;
 5.2 (2) provision of sufficient proof of the applicant's identity;
 5.3 (3) provision of information sufficient to identify the owner, or agent of the owner,
 5.4 of the property to be served;
 5.5 (4) conspicuous display of the official house number on the property in accordance
 5.6 with the records of the municipality, provided that temporary official numbers will be
 5.7 accepted on new buildings; and
 5.8 (5) prior obtainment by the customer of permits or approvals required by ordinance.
 5.9 (b) A customer with existing service who is moving to a new residence within the
 5.10 territory served by the municipality and requesting service at the new location may not be
 5.11 asked or required to complete a new application, except the municipality may require that:
 5.12 (1) the customer provide information sufficient to identify the owner, or agent of the
 5.13 owner, of the new residence to be served; and
 5.14 (2) the official house number is conspicuously displayed on the new residence in
 5.15 accordance with the records of the municipality, provided that temporary official numbers
 5.16 will be accepted on new buildings.
 5.17 (c) A municipality must honor any payment or other agreement with respect to water
 5.18 service that is in effect at the previous residence at the time the customer moves to the
 5.19 new residence within the service territory.
 5.20 Subd. 3. **Form of written application.** A municipality may determine the form
 5.21 of a written application.
 5.22 Subd. 4. **Who may apply.** (a) An owner or agent of the owner, a tenant, or an
 5.23 occupant may apply for new service, provided that an application may be made only by
 5.24 an owner where more than one tenant is supplied with water service in a single-metered
 5.25 residential building. A municipality may require that the applicant indicate whether the
 5.26 applicant is an owner, agent of the owner, tenant, or occupant.
 5.27 (b) If application for new service is made by a tenant or an occupant, the municipality
 5.28 may:
 5.29 (1) verify the information supplied by the applicant, including the identity of the
 5.30 owner or agent of the owner, of the property to be served, before extending water service;
 5.31 and
 5.32 (2) take reasonable steps to verify that the owner, or agent of the owner, is aware of
 5.33 and consents to the application.
 5.34 Subd. 5. **Guarantor and third-party notice.** (a) An applicant has the right to
 5.35 designate a guarantor.

6.1 (b) An applicant has the right to designate a third party, which may or may not be the
 6.2 guarantor, to receive copies of bills and disconnection notices.

6.3 (c) A municipality is not required to accept payments from a guarantor or provide
 6.4 copies of bills and notices to a third party unless the guarantor or third party provides,
 6.5 either directly or through the applicant, written consent to act in the designated capacity
 6.6 or capacities.

6.7 (d) A municipality must inform an applicant at the time of application of the rights
 6.8 available under this subdivision.

6.9 Subd. 6. **Information to applicants.** At the time application is made, a municipality
 6.10 must provide applicants with information, in plain language, about customer rights and
 6.11 responsibilities, including, at a minimum, information about deferred payments, cold
 6.12 weather rule protections, deposit rules, when disconnection is permissible, the right to
 6.13 designate a third party guarantor, and dispute resolution procedures.

6.14 Subd. 7. **Service connections.** (a) A municipality may require the applicant to
 6.15 obtain a permit prior to installing a service connection.

6.16 (b) A municipality may:

6.17 (1) establish technical specifications for the installation of service connections; and

6.18 (2) require that installation be performed by a duly authorized person or a person with
 6.19 a specific type of credential including, but not limited to, a plumber or master plumber.

6.20 Subd. 8. **Initiation of service.** A municipality must initiate service within a
 6.21 reasonable time after receiving a completed application, unless prevented by weather
 6.22 or other extenuating conditions.

6.23 Subd. 9. **Implied contract; implied consent.** An applicant whose application for
 6.24 water service is approved shall be deemed, by virtue of acceptance of water service, to:

6.25 (1) enter into an implied contract with the municipality for the provision of water
 6.26 service; and

6.27 (2) consent to abide by all rates, laws, rules, regulations, ordinances, resolutions,
 6.28 and written policies, as they exist at the time of acceptance and as they may be amended
 6.29 from time to time.

6.30 **Sec. 9. [444A.06] DENIAL OF NEW SERVICE.**

6.31 Subdivision 1. **Notification of applicant.** A municipality denying new service must,
 6.32 within seven days after receiving a completed application:

6.33 (1) notify the applicant of the denial;

6.34 (2) specify the reasons for the denial; and

6.35 (3) specify what steps the applicant may take, if any, to qualify for service.

7.1 Subd. 2. **Permissible reasons to deny service.** A municipality may deny new
 7.2 service only if the applicant:

7.3 (1) fails to:

7.4 (i) submit a completed application;

7.5 (ii) provide sufficient proof of the applicant's identity;

7.6 (iii) provide information sufficient to identify the owner, or the owner's agent, of
 7.7 the property to be served;

7.8 (iv) furnish a safe and suitable location for a meter;

7.9 (v) pay a lawfully required deposit;

7.10 (vi) comply with any written municipal policy or requirement not in conflict with
 7.11 this chapter; or

7.12 (vii) conspicuously display the official house number on the property in accordance
 7.13 with the records of the municipality, provided that temporary official numbers will be
 7.14 accepted on new buildings.

7.15 (2) willfully provides false information on an application;

7.16 (3) owes money to the municipality for charges on a previous water account in
 7.17 the applicant's name;

7.18 (4) owes money to any other provider of water service for charges on a previous
 7.19 water account in the applicant's name; or

7.20 (5) violates any law, ordinance, or rule.

7.21 Subd. 3. **Impermissible reasons to deny service.** A municipality may not deny
 7.22 new service:

7.23 (1) notwithstanding any other provision of law, for unpaid water bills incurred by
 7.24 a previous customer or owner on an account that was not in the applicant's name or for
 7.25 which the applicant was not a guarantor, provided that the previous customer no longer
 7.26 resides in the property to be served;

7.27 (2) based on credit history unrelated to the payment of water bills; or

7.28 (3) solely on the basis of whether an applicant designates a guarantor or third party to
 7.29 receive bills and disconnection notices in accordance with section 444A.05, subdivision 5.

7.30 **Sec. 10. [444A.07] DEPOSIT FOR NEW OR EXISTING SERVICE.**

7.31 Subdivision 1. **For new service.** (a) A municipality may not require a deposit as a
 7.32 condition of new service unless the applicant owes money to any municipality for water,
 7.33 electric, or natural gas charges on an account in the applicant's name, provided that no
 7.34 deposit may be required:

8.1 (1) if the outstanding charges were accrued more than six years prior to the date
 8.2 of the application;

8.3 (2) if the applicant and the municipality have agreed on a repayment plan for the
 8.4 outstanding charges; or

8.5 (3) unless and until any dispute as to the liability of the applicant for the outstanding
 8.6 charges has been resolved.

8.7 (b) A municipality may require a deposit for new service if the applicant has been
 8.8 found in an administrative or judicial forum, or has admitted in writing, to have committed
 8.9 any acts listed under section 325E.026.

8.10 Subd. 2. **For existing service.** A municipality may require a deposit as a condition
 8.11 of continuing existing service only if a customer:

8.12 (1) is two consecutive billing periods in arrears;

8.13 (2) has been disconnected within the previous 12 months for nonpayment of charges
 8.14 for water service or for a willful violation of promulgated rules, published policies, or
 8.15 published conditions of service;

8.16 (3) has failed to cure a nonwillful violation of law, rule, regulation, ordinance, or
 8.17 written policy, after notice, provided a cure is possible;

8.18 (4) has been found to have falsified information on an application;

8.19 (5) has been found in an administrative or judicial forum, or has admitted in writing,
 8.20 to have committed any acts listed under section 325E.026; or

8.21 (6) has been found to have damaged any municipal equipment used in the provision
 8.22 of water service.

8.23 Subd. 3. **Notice.** A municipality must notify applicants or customers in writing:

8.24 (1) of the reason a deposit is being requested;

8.25 (2) what actions, if any, the customer may take to avoid the necessity to pay the
 8.26 deposit; and

8.27 (3) the procedures to follow to dispute the request for the deposit.

8.28 Subd. 4. **Amount of deposit.** A municipality may establish the amount of a deposit.

8.29 Subd. 5. **Payment of deposit for low-income or hardship customers.** A
 8.30 municipality:

8.31 (1) must allow an applicant or customer who receives public assistance or whose
 8.32 household income is at or below 50 percent of state median income to pay the deposit in
 8.33 installments based on the financial circumstances of the customer's household;

8.34 (2) may waive the requirement of a deposit for any customer with a demonstrated
 8.35 hardship, which may include income insufficient to pay; and

9.1 (3) must waive the requirement for a customer who demonstrates that enforcing the
 9.2 requirement will prevent the customer from obtaining water service.

9.3 Subd. 6. **Return of deposit.** (a) Within the time period provided under section
 9.4 325E.02, a municipality must return a deposit to a customer:

9.5 (1) who makes timely payments for one year following the full payment of the
 9.6 deposit; or

9.7 (2) following a voluntary or involuntary disconnection of service, provided that the
 9.8 municipality may perform an inspection of its equipment prior to returning the deposit.

9.9 (b) A municipality may determine the instrument used to refund the deposit to
 9.10 a customer terminating service, provided the municipality may retain any portion of the
 9.11 deposit required to cover:

9.12 (1) unpaid balances; or

9.13 (2) the cost of repair or replacement of equipment damaged by the customer.

9.14 (c) A municipality must provide the option to an existing customer to have the
 9.15 deposit returned in full directly or through the issuance of a credit against future bills.

9.16 Subd. 7. **Interest.** A municipality must pay interest on a deposit on the conditions
 9.17 and at the rate specified under section 325E.02.

9.18 **Sec. 11. [444A.08] METERS AND METERING.**

9.19 Subdivision 1. **Meter required.** All water to a residential property must be supplied
 9.20 through an accurate metering device. A water meter is accurate if it registers water
 9.21 consumption within a tolerance of plus or minus two percent.

9.22 Subd. 2. **Installation.** A municipality must, at its own cost, furnish and install,
 9.23 in accordance with all applicable codes:

9.24 (1) all inside meters;

9.25 (2) one or more remote meters, to the extent deemed necessary by the municipality;

9.26 and

9.27 (3) any transponders.

9.28 Subd. 3. **Ownership, maintenance, repair, and replacement.** (a) All transponders
 9.29 and meters, other than remote meters not deemed necessary by the municipality, must be
 9.30 owned by and remain the property of the municipality.

9.31 (b) A municipality shall be responsible for the ordinary maintenance and repair
 9.32 or replacement of all transponders and meters, other than remote meters not deemed
 9.33 necessary by the municipality, except a customer is responsible for all costs where damage
 9.34 requiring repair or replacement is caused by the customer.

10.1 (c) A municipality may remove a meter for testing, recalibration, replacement,
10.2 or to change the size or type of the meter.

10.3 Subd. 4. **Deposit.** A municipality:

10.4 (1) may request a reasonable deposit for a meter;

10.5 (2) must allow an applicant or customer who receives public assistance or whose
10.6 household income is at or below 50 percent of state median income to pay the deposit in
10.7 installments based on the financial circumstances of the customer's household;

10.8 (3) may waive the requirement of a deposit for any customer with a demonstrated
10.9 hardship, which may include income insufficient to pay; and

10.10 (4) must waive the requirement for a customer who demonstrates that enforcing the
10.11 requirement will prevent the customer from obtaining water service.

10.12 Subd. 5. **Remote meters installed by customers.** When a remote meter is not
10.13 deemed necessary by a municipality but is desired by a customer, the customer must
10.14 furnish, install, own, and pay for the installation, repair, and, if necessary, replacement
10.15 costs for the meter.

10.16 Subd. 6. **Reading.** (a) A municipality must make all reasonable efforts to obtain
10.17 actual readings. A municipality may allow readings provided by customers via postcard,
10.18 phone, e-mail, or other means deemed suitable.

10.19 (b) The inside meter reading takes precedence over a remote meter if there is a
10.20 discrepancy between the two meter readings.

10.21 Subd. 7. **Testing.** (a) A customer may request a meter test if dissatisfied with a
10.22 reread after having made a billing complaint to the municipality. The results of the meter
10.23 test must be reported to the customer. No charge may be demanded or collected for the
10.24 first test within any 12-month period.

10.25 (b) A customer must be informed of the right to be present at the meter test. If the
10.26 results show that the meter was operating outside the acceptable tolerance, the municipality
10.27 must make a billing adjustment as provided under section 444A.09, subdivision 6.

10.28 (c) A reasonable fee may be charged for a second test requested within any 12-month
10.29 period, provided that the fee must be refunded to the customer if the meter test shows the
10.30 meter is inaccurate and a billing adjustment is warranted.

10.31 (d) During the test period, a municipality must bill the customer based on
10.32 consumption during the corresponding service period of the previous year or, if no
10.33 substitute measuring device is used, by any other reasonable means of estimation.

10.34 Sec. 12. **[444A.09] BILLING.**

11.1 Subdivision 1. **Responsible party.** No person other than the customer may be held
11.2 liable for charges for water service, except that a municipality may provide and covenant
11.3 for certifying unpaid charges to the county auditor with taxes against the property served
11.4 for collection as other taxes are collected pursuant to section 444.075, subdivision 3e.

11.5 Subd. 2. **Due date.** A bill for water service may be required to be due no earlier than
11.6 23 days after the billing date, provided that if the due date falls on a Saturday, Sunday,
11.7 holiday, or any day that the business office where payments may be made is closed, the
11.8 due date shall be the next business day.

11.9 Subd. 3. **Nonreceipt of bills.** The failure of a customer to receive a bill does not
11.10 relieve the customer of the obligation to pay for the water service provided, but a utility
11.11 may not impose a late charge for nonpayment of any bill not received.

11.12 Subd. 4. **Estimated bills.** A municipality must make diligent efforts to obtain
11.13 actual meter readings, but may render estimated bills if access to the customer's meter is
11.14 unobtainable, the meter fails to register or accurately measure actual consumption, or the
11.15 customer fails to supply the meter readings. Estimated bills must be based on consumption
11.16 history for the corresponding period, or, if insufficient history is available to make a
11.17 reasonable estimate, on any other reasonable means of estimation.

11.18 Subd. 5. **Budget payment plans.** A municipality that bills monthly may offer
11.19 customers the option to pay bills under a budget payment plan that divides annual
11.20 estimated consumption into approximately equal monthly payments and may offer a
11.21 budget payment plan encompassing past and future estimated charges for water service to
11.22 an existing customer in arrears.

11.23 Subd. 6. **Overcharges and undercharges.** (a) When a customer has been
11.24 overcharged or undercharged for water service as a result of a billing error or inaccurate
11.25 meter, the amount of the overcharge must be refunded to the customer or the amount of
11.26 the undercharge may be billed to the customer as provided in this subdivision.

11.27 (b) In the event of an overcharge, a municipality must refund the difference between
11.28 what the customer was charged and what the customer should have been charged, plus
11.29 interest at the rate specified under section 325E.02, dating back:

11.30 (1) three years from the date of discovery of the error, if the utility ascertains the
11.31 overcharge occurred for three or more years from the date of discovery; or

11.32 (2) to an earlier date if the date the error first occurred can be fixed with reasonable
11.33 certainty.

11.34 (c) Where an undercharge was not caused by tampering, fraud, or theft by the
11.35 customer or a resident of the customer's household, a municipality:

12.1 (1) may recover the difference between what the customer was charged and what the
 12.2 customer should have been charged, dating back:

12.3 (i) one year from the date of discovery of the error, if the municipality determines
 12.4 the undercharge occurred for at least one year from the date of discovery; or

12.5 (ii) to an earlier date if the date the error first occurred can be fixed with reasonable
 12.6 certainty;

12.7 (2) may not bill or recover for any undercharge incurred after the date of a customer
 12.8 inquiry or complaint concerning the billing if the municipality failed to investigate the
 12.9 inquiry or complaint in a timely manner and the inquiry or complaint resulted in the
 12.10 discovery of the undercharge;

12.11 (3) must offer an installment payment agreement for the amount of the undercharge
 12.12 that covers a period equal to the time over which the undercharge occurred or a different
 12.13 time period that is mutually agreeable to the municipality and the customer, except that the
 12.14 duration of the installment payment agreement offered by a municipality to a customer
 12.15 whose household income is at or below 50 percent of state median household income
 12.16 may be extended and must be based on the financial circumstances of the customer's
 12.17 household; and

12.18 (4) may not charge interest or any delinquency fee.

12.19 (d) If an undercharge occurred as a result of tampering, fraud, or theft by the
 12.20 customer or a resident of the customer's household, a utility:

12.21 (1) may bill and recover the difference between what the customer was charged and
 12.22 what the customer should have been charged, plus interest at the rate specified under
 12.23 section 325E.02, dating back six years, or an earlier date if the date the undercharge first
 12.24 occurred can be determined with reasonable certainty;

12.25 (2) is not obligated to offer a payment agreement for recovery of the undercharge;
 12.26 and

12.27 (3) may charge interest at a rate provided under section 325E.02.

12.28 Subd. 7. **Return of overpayments and refund of overcharges.** A municipality
 12.29 may provide any refund resulting from an overpayment or overcharge in the form of a
 12.30 credit against future billings, unless service has been discontinued, in which case the
 12.31 refund must be provided directly to the former customer.

12.32 Subd. 8. **Partial payments.** A municipality must accept partial payments on an
 12.33 account and, if there are arrears on the account, may determine how to apply them,
 12.34 provided that payments:

12.35 (1) may not be applied to arrears for which a payment agreement is in effect; and

12.36 (2) must be applied in the manner most likely to avert disconnection.

13.1 Subd. 9. **Early payment discounts.** A municipality may offer a discount for early
 13.2 payment, but may not recover the difference between the actual rate and the discounted
 13.3 rate from other ratepayers.

13.4 Subd. 10. **Request for voluntary customer contributions; contributions from**
 13.5 **other sources.** (a) A municipality may include, along with or as part of its regular
 13.6 customer billings, a request for voluntary contributions.

13.7 (b) A municipality may accept funds from private, nonprofit, philanthropic, or other
 13.8 government sources.

13.9 (c) Voluntary contributions or funds from private, nonprofit, philanthropic, or
 13.10 other government sources must be allocated to low-income rate discounts under section
 13.11 444A.14, subdivision 1, paragraph (c), or to affordability programs under section 444A.15.

13.12 **Sec. 13. [444A.10] INQUIRIES; DISPUTES.**

13.13 Subdivision 1. **Inquiries, complaints, and dispute resolution.** (a) A municipality
 13.14 must promptly respond to customer inquiries and promptly investigate and resolve
 13.15 disputes. For the purposes of this section, disputes include complaints.

13.16 (b) A customer disputing a bill must pay the undisputed portion of the bill.

13.17 (c) A customer filing a dispute has the right to present testimony and evidence
 13.18 supporting the customer's position.

13.19 (d) A municipality must notify the customer of the disposition of the dispute in
 13.20 a timely manner. Notification of a disposition not in favor of the customer must be in
 13.21 writing and contain the rationale for the municipality's decision.

13.22 (e) A municipality may not impose any additional charge for the investigation and
 13.23 resolution of a dispute, including charges for meter testing.

13.24 Subd. 2. **Appeals.** (a) A municipality must establish a procedure to enable a
 13.25 customer who is dissatisfied with the resolution of a dispute to appeal the initial decision
 13.26 to an impartial person or panel not involved in the initial determination. A municipality is
 13.27 not required to permit a customer who files an appeal to present testimony and evidence
 13.28 that has previously been submitted, but the municipality must permit the customer who
 13.29 files an appeal to present any new testimony and evidence.

13.30 (b) Nothing in this section prohibits a municipality from establishing additional
 13.31 levels of and procedures for an appeal.

13.32 (c) A customer must obtain a final adverse determination from the municipal dispute
 13.33 and appeal process before seeking judicial relief.

14.1 Subd. 3. **Representation.** A customer has the right to be represented by an attorney
 14.2 or other third party of the customer's choosing throughout, or for any part of, the complaint
 14.3 and appeal process.

14.4 **Sec. 14. [444A.11] INSTALLMENT PAYMENT AGREEMENTS FOR**
 14.5 **ARREARS.**

14.6 Subdivision 1. **Installment payment agreements required.** A municipality must
 14.7 offer customers in arrears the option to repay unpaid balances under an installment
 14.8 payment agreement that is based on the financial circumstances of the customer's
 14.9 household.

14.10 Subd. 2. **Modification of existing agreements.** A municipality may require an
 14.11 upward modification of an existing installment payment upon information or knowledge
 14.12 that the financial circumstances of the customer have changed to enable a larger
 14.13 installment payment. A municipality, upon the request of a customer with an existing
 14.14 payment agreement, must renegotiate a downward modification of the agreement if the
 14.15 customer documents an adverse change in the customer's financial circumstances.

14.16 Subd. 3. **Customer default.** (a) After a customer first defaults on an installment
 14.17 payment agreement, a municipality must offer the customer one opportunity to cure the
 14.18 default by:

14.19 (1) reinstating; or

14.20 (2) modifying the agreement, if the customer meets the conditions set forth under
 14.21 subdivision 2.

14.22 (b) A municipality may proceed with disconnection that complies with section
 14.23 444A.13 if the customer fails to cure the default or defaults after reinstating or modifying
 14.24 the agreement.

14.25 **Sec. 15. [444A.12] COLLECTION OF UNPAID BILLS; LIENS; ASSESSMENTS.**

14.26 Subdivision 1. **Legal action.** (a) A municipality may bring a civil action to
 14.27 collect unpaid charges for water service, provided the charges are not in dispute and the
 14.28 municipality has complied with section 444A.11, for existing customers.

14.29 (b) A municipality taking a legal action under this subdivision is not precluded from
 14.30 pursuing collection under section 116A.22.

14.31 Subd. 2. **Effect of failure to request deposit on lien.** The failure of a municipality
 14.32 to request a deposit has no effect on the creation of a lien under section 116A.22.

14.33 Subd. 3. **Effect of lien on application for new service.** The existence of a lien does
 14.34 not impair the rights of an applicant for new service, unless:

15.1 (1) the new applicant was a customer at another property where an enforceable
 15.2 lien was created; or

15.3 (2) the customer whose unpaid charges for water service created the lien continues
 15.4 to reside in the property for which the new applicant seeks new service.

15.5 **Sec. 16. [444A.13] DISCONNECTION OF WATER SERVICE.**

15.6 Subdivision 1. **Disconnection for cause.** Except as provided in subdivision 4, a
 15.7 municipality may disconnect service after complying with notice requirements under
 15.8 subdivisions 2 and 3, as applicable, only for one or more of the following reasons:

15.9 (1) nonpayment of charges for water service;

15.10 (2) willful violation of law, rule, regulation, ordinance, or written policy;

15.11 (3) if a condemnation order is issued or no valid certificate of occupancy is in
 15.12 effect; and

15.13 (4) failure to:

15.14 (i) comply with the terms of an installment payment agreement under section
 15.15 444A.11;

15.16 (ii) repair a leak to a service pipe;

15.17 (iii) make or pay for other repairs as required by the municipality on customer
 15.18 equipment necessary for the provision of water service after the municipality has
 15.19 provided written notice to make or pay for the repair as provided under section 444A.16,
 15.20 subdivision 1;

15.21 (iv) display the house number of the residence after written notice has been provided
 15.22 to the owner of the property; or

15.23 (v) cure a nonwillful violation of law, rule, regulation, ordinance, or written policy,
 15.24 after notice, provided a cure is possible.

15.25 Subd. 2. **Notice and opportunity for hearing.** (a) Before disconnecting water
 15.26 service to a single family dwelling for nonpayment, a municipality must serve personally
 15.27 or by first class, certified, or registered mail, a written notice to the customer and to the
 15.28 owner of the property, if different from the customer, of the impending disconnection
 15.29 and of the opportunity for a hearing upon any claim that the charges for water service
 15.30 are not properly due and payable. The notice must be in a plain language, easy-to-read
 15.31 format that uses clear and coherent words with common and everyday meanings and that
 15.32 contains, at a minimum:

15.33 (1) the reason for the disconnection;

15.34 (2) the date of the scheduled disconnection;

15.35 (3) the amount due;

16.1 (4) a telephone number at the municipality to contact an employee with authority to
 16.2 resolve disputes and enter into payment agreements;

16.3 (5) a summary of rights and responsibilities, including the procedure for disputing a
 16.4 bill and the opportunity for a predisconnection hearing; and

16.5 (6) the steps the consumer may take to avoid disconnection.

16.6 (b) During the period from April 16 through October 14, disconnection may take
 16.7 place no earlier than at least ten business days after a notice is personally served or at least
 16.8 13 business days after a notice is served by first class, certified, or registered mail.

16.9 (c) During the period from October 15 through April 15, disconnection may take
 16.10 place no earlier than at least 20 business days after a notice is personally served or at least
 16.11 23 business days after a notice is served by first class, certified, or registered mail.

16.12 (d) The notice becomes void if the municipality has not disconnected water service
 16.13 within 30 days of the disconnection date specified in the notice.

16.14 Subd. 3. **Disconnection for maintenance or repairs.** To the extent feasible, a
 16.15 municipality must give sufficient advance notice of disconnection of water service for
 16.16 planned maintenance or repairs that will cause an interruption in water service.

16.17 Subd. 4. **Disconnection without notice.** A municipality may disconnect water
 16.18 service without notice only:

16.19 (1) if the municipality, after reasonable inquiry, determines that there has been
 16.20 demonstrable (i) tampering with the meter or other equipment, or (ii) unauthorized use
 16.21 of water;

16.22 (2) in the case of fraud or material misrepresentation on an application;

16.23 (3) if the municipality, on credible belief and information, believes the property
 16.24 is abandoned;

16.25 (4) if a condition or emergency is determined to be hazardous to the customer, other
 16.26 customers, public or private property, the municipality's equipment, or the public; or

16.27 (5) if the customer has been found to have resold water services to another person
 16.28 without authorization from the municipality.

16.29 Subd. 5. **Impermissible reasons to disconnect water service.** A municipality
 16.30 may not disconnect water service:

16.31 (1) during the pendency of a dispute or appeal, if the customer has paid the
 16.32 undisputed part of the bill;

16.33 (2) prior to the offer of an installment payment agreement that complies with section
 16.34 444A.11 and the failure of a customer to enter into the agreement;

16.35 (3) for nonpayment of charges incurred:

16.36 (i) for goods or services that are unrelated to the provision of water service;

- 17.1 (ii) for residential utility service other than water service;
17.2 (iii) for nonresidential water service; or
17.3 (iv) by a previous customer or owner of the property served, provided the customer
17.4 or owner no longer resides at the property;
17.5 (4) to a guarantor of service for nonpayment of the customer's bills; or
17.6 (5) if a customer provides payment of the amount necessary to avoid disconnection
17.7 at the time of actual disconnection.

17.8 Subd. 6. **Health threat.** (a) Notwithstanding any other provision, a municipality
17.9 must not disconnect or refuse to reconnect water service if disconnection of or failure to
17.10 reconnect water service would cause a threat to the health of the customer or any resident
17.11 of the customer's household, provided that:

17.12 (1) the customer's household income is at or below 50 percent of state median
17.13 income or the customer demonstrates an inability to make full payment for water service
17.14 provided within the time period allowed for payment;

17.15 (2) the municipality receives written certification from a medical doctor, or initial
17.16 certification from a medical doctor by telephone and written certification within five
17.17 business days, that failure to reconnect or continue service will impair or threaten the
17.18 health of the customer or a resident of the customer's household; and

17.19 (3) the customer enters into an installment payment agreement.

17.20 (b) A certification is effective for one billing cycle. Disconnection may proceed,
17.21 with notice, unless a medical doctor renews the certification.

17.22 (c) The issuance of a certification does not relieve the customer of the obligation to
17.23 make full payment for all charges for water service incurred.

17.24 (d) A municipality must not disconnect service to a customer if a medical doctor
17.25 certifies that the disconnection of water service constitutes a threat to the life of the
17.26 customer or any resident of the customer's household, regardless of any arrears owed. A
17.27 municipality may proceed with disconnection, with notice and consistent with the other
17.28 provisions of this subdivision, after receiving certification from the medical doctor who
17.29 issued the initial certification that there is no longer a threat to life.

17.30 Subd. 7. **Dishonored check.** (a) Before disconnecting water service for nonpayment
17.31 due to a dishonored check, a municipality must notify the customer that the check has been
17.32 dishonored and provide an opportunity to the customer to make payment. A municipality
17.33 may disconnect water service if payment is not made within five business days after
17.34 providing notice of the dishonored check, provided that the municipality has previously
17.35 complied with notice requirements under subdivision 3.

18.1 (b) A municipality is required to comply with the provision of this subdivision
18.2 only once in any 12-month period.

18.3 Subd. 8. **Restrictions on disconnection.** (a) A municipality may not disconnect
18.4 water service:

18.5 (1) on a Friday, unless the municipality, in person or via personal contact by
18.6 telephone that day, has offered, and the customer has declined to enter into, an installment
18.7 payment agreement;

18.8 (2) on a weekend, holiday, or the day before a holiday; or

18.9 (3) when utility offices are closed.

18.10 (b) A municipality may disconnect water service after the close of business on a day
18.11 when disconnection is permitted, provided either a field representative or office personnel
18.12 offers a payment agreement that complies with section 444A.11, and the customer declines
18.13 to enter into the agreement.

18.14 Subd. 9. **Extreme weather rule.** (a) Between April 15 and the following October
18.15 15, a municipality may not disconnect water service if:

18.16 (1) the customer's household income is at or below 50 percent of state median
18.17 income; and

18.18 (2) the customer enters into an installment payment agreement based on the financial
18.19 circumstances of the household, provided that the customer's installment payment toward
18.20 current and past due bills may not exceed ten percent of the customer's household monthly
18.21 income.

18.22 (b) A municipality may verify the customer's income:

18.23 (1) through its own investigation;

18.24 (2) by accepting the signed statement from the customer that the customer meets the
18.25 income eligibility requirements; or

18.26 (3) by obtaining verification of income from the local energy assistance provider.

18.27 (c) A municipality may not disconnect water service when an excessive heat watch,
18.28 heat advisory, or excessive heat warning issued by the National Weather Service is in
18.29 effect for the county in which the customer resides.

18.30 Subd. 10. **Declaration of moratorium.** A municipality may declare a moratorium
18.31 on disconnections for all or a portion of the service area for any period of time if it
18.32 determines a moratorium is necessary to protect the health, safety, or welfare of the
18.33 affected customers or residents.

18.34 Subd. 11. **Reconnection of water service.** (a) Unless prevented by circumstances
18.35 beyond the municipality's control, water service must be reconnected within 24 hours of
18.36 the removal of the cause for the disconnection.

19.1 (b) A municipality may not require a customer disconnected for nonpayment to repay
 19.2 the entire unpaid balance as a condition for reconnection, unless the customer has refused
 19.3 to enter into an installment payment agreement that complies with section 444A.11.

19.4 Sec. 17. **[444A.14] RATES AND OTHER CHARGES.**

19.5 Subdivision 1. **Rates.** (a) All rates established or adjusted must be just, equitable,
 19.6 and reasonable. Ability to pay must be considered a component of just, equitable, and
 19.7 reasonable rates.

19.8 (b) Notwithstanding any other provision of law, a municipality or commission may
 19.9 establish lower or discounted rates for low-income and elderly customers.

19.10 Subd. 2. **Other charges generally.** A municipality may establish fees, penalties,
 19.11 and other charges the municipality deems necessary for services and activities, except
 19.12 as limited by this section.

19.13 Subd. 3. **Connection and availability fees; low-income and hardship customers.**

19.14 (a) A municipality must offer a reasonable installment payment plan to customers with
 19.15 incomes at or below 50 percent of state median income for payment of:

19.16 (1) connection, hook-up, set-up, administrative, and installation fees; and

19.17 (2) availability and standby charges.

19.18 (b) A municipality may waive any or all of the charges set forth in this subdivision for
 19.19 any customer with a demonstrated hardship, which may include income insufficient to pay.

19.20 Subd. 4. **Late payment fee.** (a) A late payment fee may not exceed 1-1/2 percent
 19.21 per month.

19.22 (b) If a late payment fee is assessed on a disputed bill and the dispute is resolved in
 19.23 the customer's favor, the late payment fee must be canceled if uncollected, and refunded if
 19.24 already collected. The refund may be applied as a credit against future bills. If service has
 19.25 been discontinued, the refund must be provided directly to the former customer.

19.26 (c) A municipality:

19.27 (1) may waive the requirement of a deposit for any customer with a demonstrated
 19.28 hardship, which may include income insufficient to pay; and

19.29 (2) must waive the requirement for a customer who demonstrates that enforcing the
 19.30 requirement will prevent the customer from retaining water service.

19.31 Subd. 5. **Reconnection fee.** (a) Notwithstanding any other section, a municipality
 19.32 may charge a reconnection fee, provided that the fee may not exceed the cost of
 19.33 reconnection.

19.34 (b) A municipality may not charge a reconnection fee to reconnect service
 19.35 disconnected by the municipality if a condition or emergency is determined to be

20.1 hazardous to the customer, other customers, public or private property, the municipality's
20.2 equipment, or the public.

20.3 (c) A municipality:

20.4 (1) may waive the payment of a reconnection fee for any customer with a
20.5 demonstrated hardship, which may include income insufficient to pay; and

20.6 (2) must waive the requirement for a customer who demonstrates that enforcing the
20.7 requirement will prevent the customer from having water service reconnected.

20.8 Subd. 6. **Prohibited fees and charges.** A municipality may not impose a fee or
20.9 charge for:

20.10 (1) a meter;

20.11 (2) the provision of a disconnection notice or a bill; or

20.12 (3) a voluntary disconnection.

20.13 **Sec. 18. [444A.15] AFFORDABILITY PROGRAMS.**

20.14 (a) A municipality may establish affordability programs for customers at or below
20.15 50 percent of state median income that are designed to accomplish one or more of the
20.16 following objectives:

20.17 (1) enable the customer to maintain water service by paying an amount that is less
20.18 than the full amount owed but that is reasonable based on the financial circumstances
20.19 of the customer's household; and

20.20 (2) increase the frequency or regularity of participating customer payments by
20.21 making payments consistent with the customer's ability to pay.

20.22 (b) A municipality may take any steps necessary to recover the costs of the program
20.23 from other ratepayers on a timely basis.

20.24 (c) A municipality operating an affordability program should coordinate the program
20.25 with other available low-income bill payment assistance and water conservation resources.

20.26 **Sec. 19. [444A.16] DUTIES OF CUSTOMERS AND OWNERS.**

20.27 Subdivision 1. **Ownership, maintenance, and repair of equipment.** (a) Except
20.28 for transponders, inside meters, and remote meters deemed necessary, as provided
20.29 under section 444A.08, a municipality may assign ownership, maintenance, and repair
20.30 obligations with respect to municipal equipment used in connection with the provision of
20.31 water service that is physically located within the legal boundaries of the owner's property.

20.32 (b) A municipality may require an owner who fails to adequately maintain
20.33 equipment that is the owner's responsibility to maintain to take necessary corrective
20.34 action. A municipality requiring a corrective action must notify the owner in writing

21.1 of the nature of the action required and the time period within which the action must
 21.2 be taken. If the owner fails to make the required repair within the time specified in the
 21.3 notice, a municipality may make the repair and add the cost to the water services bill. If
 21.4 the owner fails to pay for the repair, the municipality may:

21.5 (1) disconnect water service as provided in section 444A.13; and

21.6 (2) certify the unpaid charges to the county auditor with taxes against the property
 21.7 served for collection as other taxes are collected.

21.8 (c) An owner is liable for the cost of a repair made by a municipality without notice
 21.9 when the repair is necessitated by an emergency declared by the municipality.

21.10 Subd. 2. **Duty to notify municipality.** (a) To the extent the customer or owner is
 21.11 aware, a customer or owner must notify the municipality of:

21.12 (1) any damage to the municipality's equipment or appurtenances;

21.13 (2) the inoperability, malfunction, or inaccuracy of a meter;

21.14 (3) a broken seal; and

21.15 (4) a leak in the service line.

21.16 (b) A customer must provide notice to the municipality no less than five days in
 21.17 advance of the date of a voluntary disconnection. The customer is liable for all charges
 21.18 associated with consumption up to the date specified in the notice.

21.19 (c) A municipality may, by ordinance, impose other notification duties on customers
 21.20 or property owners as deemed necessary.

21.21 Subd. 3. **Duties with respect to meters.** (a) Every customer and owner must
 21.22 furnish a safe and suitable location for, and ensure easy access to, the inside meter that
 21.23 measures water consumption.

21.24 (b) Customers must take all reasonable measures to protect meters from frost and
 21.25 freezing.

21.26 Subd. 4. **Duty to provide access.** (a) For the purposes of this section:

21.27 (1) "authorized personnel" means a person employed by, or under contract with, the
 21.28 municipality who wears a distinguishing uniform or insignia designating the person as
 21.29 an employee or contractor of the municipality and who displays an identification card
 21.30 with the photo of the person; and

21.31 (2) "reasonable times" means between the hours of:

21.32 (i) 8:00 a.m. and 8:00 p.m., Monday through Friday; and

21.33 (ii) 9:00 a.m. and 5:00 p.m. on Saturday.

21.34 (b) At all reasonable times, a municipality may request that a customer provide
 21.35 authorized personnel access to any area owned by the customer, or of which the customer

22.1 has a possessory right, where equipment necessary for the provision of water service is
 22.2 placed for the purpose of:

22.3 (1) meter reading;

22.4 (2) connection, disconnection, or reconnection; or

22.5 (3) installing, removing, maintaining, repairing, servicing, or inspecting the
 22.6 municipality's equipment.

22.7 (c) To the extent possible, a municipality must provide at least 24 hours prior notice
 22.8 of the intent to enter the property and the purpose for which entry is required.

22.9 (d) If the customer refuses to give consent to enter the property for the purposes
 22.10 allowed under this subdivision, a municipality may obtain an administrative or judicial
 22.11 warrant.

22.12 (e) A municipality is not required to obtain consent or a warrant to entry in cases
 22.13 of emergency.

22.14 Subd. 5. **Liability for damage.** (a) A customer or owner is liable for the reasonable
 22.15 cost of repair or replacement, whichever is least expensive, of any municipally owned
 22.16 equipment or appurtenance that is damaged by the customer or a resident in the customer's
 22.17 household as a result of the customer or resident's intentional act or reckless negligence.

22.18 (b) Amounts for repair or replacement of damaged equipment or appurtenances may
 22.19 be added to and collected in the same manner as the bill for water services, including
 22.20 through civil action or certification of the unpaid charges to the county auditor with taxes
 22.21 against the property served for collection as other taxes are collected.

22.22 **Sec. 20. [444A.17] PROHIBITED ACTS.**

22.23 (a) No person shall, under any circumstances:

22.24 (1) permit water from the municipal system to be used for a purpose not authorized
 22.25 by ordinance; or

22.26 (2) willfully obstruct, break, injure, mar, deface, destroy, disturb, or cause damage to
 22.27 any municipally owned equipment associated with the provision of water service.

22.28 (b) No person shall, without authorization from the municipality:

22.29 (1) resell water from the municipal waterworks system;

22.30 (2) turn on or shut off water at any curb cock, curb stop, or curb stop box;

22.31 (3) take water from a fire hydrant or use water from an unmetered source; or

22.32 (4) tap any water distribution main or pipe or insert stopcocks or ferrules on the
 22.33 waterworks system.

22.34 (c) No person shall break or remove a meter or other seal, except for an authorized
 22.35 municipal employee or, if authorized by a municipality, a licensed plumber.

23.1 (d) A municipality may, by ordinance, establish prohibitions or restrictions not
 23.2 inconsistent with this chapter, in addition to those enumerated in this section.

23.3 **Sec. 21. [444A.18] WATER EMERGENCIES.**

23.4 (a) In case of an imminent or existing water emergency, a municipality may declare
 23.5 a water emergency and may impose and enforce a restriction or ban on the use of water,
 23.6 including but not limited to lawn sprinkling, car washing, and irrigation. A water
 23.7 emergency includes, but is not limited to, drought or shortage of water supply for other
 23.8 reasons, inadequate supply to provide fire protection, malfunction of the water supply
 23.9 system, or the endangerment of public health, safety, and welfare.

23.10 (b) A municipality imposing a ban or restriction on water use must take all
 23.11 reasonable and necessary steps to inform all citizens affected of the existence of
 23.12 the emergency, the reasons for the restriction or ban, the period during which use or
 23.13 consumption is restricted or banned, and the specific uses that are restricted or banned.

23.14 **Sec. 22. [444A.19] TORT LIABILITY AND IMMUNITY.**

23.15 Subdivision 1. **Liability.** A municipality providing water services is subject to tort
 23.16 liability as provided in section 466.02, except as limited in subdivision 2.

23.17 Subd. 2. **Immunity.** A municipality is not subject to tort liability:

23.18 (1) if the water supply is interrupted, disturbed, deficient, or insufficient due to:

23.19 (i) establishing connections;

23.20 (ii) making repairs;

23.21 (iii) providing extensions;

23.22 (iv) disconnecting water service, provided that the municipality complies with the
 23.23 requirements under section 444A.13;

23.24 (v) reconnecting water service;

23.25 (vi) pressure fluctuations; or

23.26 (vii) flushing; and

23.27 (2) for the water quality, if the quality is within the guidelines set forth by the
 23.28 Department of Health and the laws of this state.

23.29 **Sec. 23. [444A.20] EFFECT ON OTHER LAW.**

23.30 Sections 444A.01 to 444A.19 preempt and supersede conflicting local and municipal
 23.31 rules or ordinances. Nothing in this chapter is intended to preempt any provision of a
 23.32 local or municipal rule or ordinance that provides greater protection for residential water
 23.33 customers than a provision in this chapter.

24.1 Sec. 24. Minnesota Statutes 2008, section 456.33, is amended to read:

24.2 **456.33 WATER AUTHORITY MAY MAKE RULES FOR PAYMENTS.**

24.3 The governing body of a waterworks owned by a city of the first class may adopt
24.4 and enforce rules that it considers advisable on when payments for its water are due and
24.5 payable, consistent with section 444A.09.

24.6 Sec. 25. Minnesota Statutes 2008, section 504B.215, subdivision 3, is amended to read:

24.7 Subd. 3. **Procedure.** (a) ~~When~~ A municipality, utility company, or other company
24.8 supplying home heating oil, propane, natural gas, electricity, or water to a building ~~has~~
24.9 ~~issued that issues~~ issues a final notice or has posted the building proposing to disconnect or
24.10 discontinue the service to the building because a landlord who has contracted for the
24.11 service has failed to pay for it or because a landlord is required by law or contract to
24.12 pay for the service and fails to do so, ~~a tenant or group of tenants may pay to have the~~
24.13 ~~service continued or reconnected as provided under this section~~ must provide notice to
24.14 the residents of the impending disconnection by posting the building. If a building is
24.15 ~~posted,~~ The posting must be placed in at least one conspicuous location in the section or
24.16 sections of the building to which the utility has legal access and provide tenants with,
24.17 at a minimum, the following information:

- 24.18 (1) the date the service will be discontinued;
- 24.19 (2) the telephone number to call at the utility to obtain further information;
- 24.20 (3) a brief description of the rights of tenants under this section to continue or
24.21 restore service; and
- 24.22 (4) advice to consider seeking assistance from legal aid, a private attorney, or a
24.23 housing organization in exercising the rights of tenants under Minnesota law to maintain
24.24 their utility service.

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

24.31 (b) In the case of natural gas or electricity, if the landlord has not paid the bill
24.32 by the time of the tenant's intended payment or if the service remains discontinued,
24.33 the tenant or tenants may pay the current charges for the most recent billing period
24.34 and the utility company or municipality must restore the service for at least one billing
24.35 period. In a residential building with less than five units, one of the tenants may notify

25.1 the utility company or municipality that the tenant agrees to become the bill payer
25.2 responsible and customer of record and the utility company or municipality must place
25.3 the account disconnected or subject to disconnection in the tenant's name and provide
25.4 service prospectively, provided the tenant satisfies all requirements for establishing
25.5 service. A tenant becoming the customer of record of a cooperative electric association
25.6 does not acquire membership rights. Exercise of the right to pay the current charges for
25.7 the most recent billing period does not preclude exercising the right to become the bill
25.8 payer responsible and customer of record, provided that if there are multiple tenants in an
25.9 affected multifamily building, the utility company or municipality is not required to offer
25.10 the right to become the bill payer responsible and the customer of record to more than
25.11 one tenant in a 12-month period.

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

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

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

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

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

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

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

25.28 (e) In a single-metered residential building, other residential tenants in the building
25.29 may contribute payments to the utility company or municipality on the account of the
25.30 tenant who is the customer of record under paragraph (b) or on the landlord's account
25.31 under paragraph (c).

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

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

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

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