

**POLICY: UTILITY BILLING FOR NON-HOMESTEAD PROPERTIES POLICY**

ORIGINAL ADOPTION: 11/22/2016

REFERENCE NO. FIN-011

REVIEWED/UPDATED: TBD

PURPOSE

To prescribe the policies and procedures for administering utility billing accounts for non-homestead properties.

POLICY AND PROCEDURES**Primary Accountholder**

State law recognizes that the primary parties to the utility supply transaction are the City, the supplier, and the property benefited by the utility service availability.

Minn. State. 444.074, s.3(e), authorizes the City to charge the owner and to certify unpaid charges against the property served as a tax. Minn. Stat. 325E.025, s.2, distinguishes other types of utility services (such as electrical, gas, propane, and telephone) from water utilities, recognizing that water utilities provide a unique benefit to the property and are essential human habitation. In fact, the law prohibits owners from renting out any premises without a connection to a water system. Gas, electric and phone utilities provide a benefit primary to the end user – accordingly, the landlord is not responsible for their payment and unpaid charges cannot be assessed against the property.

Therefore, the primary account holder on utility billing accounts will be the owner as listed on the Hennepin County property tax information records. Property owners may request a duplicate bill be mailed to the renters.

Primary Accountholder Responsibility

The primary account holder/property owner will be responsible for prorating bills when there is a change in renters and no new account/final bill will be created in utility billing. Property owners may choose to pay the utility bill directly and get reimbursed by the renter, or have their renter pay the bill directly.

City staff will create a spreadsheet that property owners can use to estimate/prorate a final bill when a change in renters occurs and create resources that give options to property owners in developing lease agreements to address how the utility bill will be handled during the course of the lease and at least termination.