

AMENDED IN ASSEMBLY AUGUST 31, 2015

AMENDED IN ASSEMBLY JULY 16, 2015

AMENDED IN ASSEMBLY JULY 7, 2015

AMENDED IN ASSEMBLY JUNE 18, 2015

SENATE BILL

No. 7

Introduced by Senator Wolk
(Coauthor: Assembly Member Williams)

December 1, 2014

An act to add Chapter 2.5 (commencing with Section 1954.201) to Title 5 of Part 4 of Division 3 of the Civil Code, to add Section 17922.14 to the Health and Safety Code, and to add Section 517 to, and to add Article 5 (commencing with Section 537) to Chapter 8 of Division 1 of, the Water Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 7, as amended, Wolk. Housing: water meters: multiunit structures.

(1) Existing law generally regulates the hiring of dwelling units and, among other things, imposes certain requirements on landlords and tenants. Among these requirements, existing law requires landlords to provide tenants with certain notices or disclosures pertaining to, among other things, pest control and gas meters.

This bill would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords.

This bill would, if a submeter is used to charge a tenant separately for water service, impose requirements on landlords relating to submetered water service to individual dwelling units. The bill would require a landlord to make certain disclosures to the tenant prior to the execution of the rental agreement, if the landlord intends to charge a tenant separately from rent for water service in a property with submeters. The bill would specify that as part of the monthly bill for water service, a landlord may only bill a tenant for volumetric water usage, as specified, a portion of any recurring fixed charge billed to the property by the water purveyor, as specified, a billing, administrative, or other fee, as prescribed, and a late charge. The bill would specify that payments are required to be due at the same point in each billing cycle, as prescribed, and that each bill must include and separately set forth certain information. The bill would prohibit a landlord from charging certain additional fees. The bill would require a landlord to maintain and make available in writing to a tenant, as specified, the date the submeter was last inspected, tested, and verified, the data used to calculate the tenant's bill, and the location of the submeter. The bill would require a landlord to investigate and, if warranted, rectify certain problems or a submeter reading that indicates constant or abnormal water usage. The bill would permit a landlord to enter a unit for specified purposes relating to a submeter or water fixture if certain requirements are met. The bill would permit a tenant to be charged late fees, as specified. The bill would provide that these provisions shall become operative on January 1, 2017.

(2) The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission for approval and adoption. Existing law creates the Building Standards Administration Special Revolving Fund and requires that funds deposited into the fund be expended, upon appropriation by the Legislature, to carry out specified provisions of law that relate to building standards, with emphasis placed on certain activities relating to green building standards.

This bill would authorize the Department of Housing and Community Development to develop and propose for adoption by the commission building standards that require the installation of water meters or submeters in multiunit residential buildings, as specified. The bill would exempt specified categories of structures from these building standards.

This bill would provide that moneys in the fund are available to the department, upon appropriation, for administrative costs associated with the development of building standards that require the installation of water meters or submeters in multiunit residential buildings.

(3) The Water Measurement Law requires every water purveyor to require, as a condition of new water service on and after January 1, 1992, the installation of a water meter to measure water service. That law also requires urban water suppliers to install water meters on specified service connections, and to charge water users based on the actual volume of deliveries as measured by those water meters in accordance with a certain timetable.

This bill would add to the Water Measurement Law the requirement that a water purveyor that provides water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure that submits an application for a water connection after January 1, 2017, measure the quantity of water supplied to each individual dwelling unit as a condition of new water service and permit the measurement to be by individual water meters or submeters, as defined. The bill would require the owner of the structure to ensure that a submeter installed for these purposes complies with laws and regulations governing the approval of submeter types or the installation, maintenance, reading, billing, and testing of submeters, including, but not limited to, the California Plumbing Code. The bill would further require installation ~~and maintenance~~ of submeters to be provided by ~~contractors licensed plumbing contractors by the California Contractors State License Board~~ using workers who meet specified training requirements. The bill would exempt certain structures from these requirements. The bill would prohibit a water purveyor from imposing an additional capacity or connection fee or charge for a submeter that is installed by the owner, or his or her agent. The bill would provide that these provisions shall become operative on January 1, 2017.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2.5 (commencing with Section 1954.201)
2 is added to Title 5 of Part 4 of Division 3 of the Civil Code, to
3 read:

CHAPTER 2.5. WATER SERVICE

1954.201. It is the intent of the Legislature in enacting this chapter to do both of the following:

(a) To encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control.

(b) To ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords.

1954.202. For the purposes of this chapter:

(a) "Billing agent" means a person or entity who contracts to provide submetering services to a landlord, including billing.

(b) "Landlord" means an owner of residential rental property. "Landlord" does not include a tenant who rents all or a portion of a dwelling unit to subtenants. "Landlord" does not include a common interest development, as defined in Section 4100 of the Civil Code.

(c) "Property" means real property containing two or more dwelling units that is served by a single master meter.

(d) "Purveyor" means any local purveyor who bills the landlord for charges related to water treatment, distribution, or usage, including, but not limited to, ~~water~~ water, sewer, stormwater, flood control, and water treatment charges.

(e) "Rental agreement" includes a fixed-term lease.

(f) "Renting" includes leasing, whether on a periodic or fixed-term basis.

(g) "Submeter" means a device that measures water consumption of an individual rental unit within a multiunit residential structure or mixed-use residential and commercial structure, and that is owned and operated by the owner of the structure or the owner's agent. As used in this section, "multiunit residential structure" and "mixed-use residential and commercial structure" mean real property containing two or more dwelling units.

(h) "Water service" includes any charges, whether presented for payment on local purveyor bills, tax bills, or bills from other entities, related to water treatment, distribution, or usage, including, but not limited to, water, sewer, stormwater, flood control, and water treatment charges.

1 (i) “Water purveyor” means a water purveyor as defined in
2 Section 512 of the Water Code.

3 1954.203. (a) All properties that use submeters to separately
4 bill tenants for water service shall ensure:

5 (1) The submeter is inspected, tested, and verified for
6 commercial purposes pursuant to law, including, but not limited
7 to, Section 12500.5 of the Business and Professions Code.

8 (2) The installation conforms to all laws, including, but not
9 limited to, regulations established pursuant to Section 12107 of
10 the Business and Professions Code.

11 (3) The submeter for a dwelling unit measures only water that
12 is supplied for the exclusive use of the particular dwelling unit,
13 and only to an area within the exclusive possession and control of
14 the tenant of the dwelling unit.

15 (4) The submeter is capable of being accessed and read by the
16 tenant of the dwelling unit and read by the landlord without
17 entering the dwelling unit. A submeter installed before January 1,
18 2017, may be read by the landlord after entry into the unit, in
19 accordance with this chapter and Section 1954.

20 (5) Each submeter is reinspected and recalibrated within the
21 time limits specified in law or regulation.

22 (6) All plumbing fixtures and fittings within each dwelling unit
23 conform to all laws regarding water conservation.

24 (b) This section does not require a water purveyor to assume
25 responsibility for ensuring compliance with any law or regulation
26 governing installation, certification, maintenance, and testing of
27 submeters and associated onsite plumbing.

28 1954.204. Before executing a rental agreement, a landlord who
29 intends to charge a tenant separately from rent for water service
30 in a property with submeters shall clearly disclose the following
31 information to the tenant, in writing, in at least 10-point type, which
32 may be incorporated into the rental agreement:

33 (a) That the tenant will be billed for water service separately
34 from the rent.

35 (b) An estimate of the monthly bill for water service for units
36 at the property based on either of the following:

37 (1) The average or median bill for water service for comparative
38 units at the property over any three of the past six months.

39 (2) The amount of the bill based upon average indoor water use
40 of a family of four of approximately 200 gallons per day, and

1 including all other monthly charges that will be assessed. Estimates
2 for other gallons per day may also be included. The estimate shall
3 include a statement that the average family of four uses about 200
4 gallons of water each day.

5 (c) The due dates and payment procedures for bills for water
6 service.

7 (d) An email address and a toll-free telephone number or a local
8 telephone number for the tenant to contact with questions regarding
9 the water service billing and the days and hours for regular
10 telephone service at either number.

11 (e) That the monthly bill for water service may only include the
12 following charges:

13 (1) Payment due for the amount of usage as measured by the
14 submeter, charged at the same rate for commodity usage by the
15 purveyors.

16 (2) Payment of a portion of the fixed fee charged by the
17 purveyors for water service.

18 (3) A fee for the landlord's or billing agent's costs in accordance
19 with paragraph (3) of subdivision (a) of Section 1954.205.

20 (4) Any late fee, with the amounts and times assessed, in
21 compliance with Section 1954.213.

22 (f) A statement that the tenant shall notify the landlord in writing
23 of any leaks, drips, or other problems with the water system,
24 including problems with ~~water-saving~~ *water-saving* devices, and
25 that the landlord is required to investigate, and, if necessary, repair
26 these problems.

27 (g) A statement that the landlord shall provide any of the
28 following information if asked by the tenant:

29 (1) The location of the submeter.

30 (2) The calculations used to determine a monthly bill.

31 (3) The date the submeter was last certified for use, and the date
32 it is next scheduled for certification.

33 (h) A statement that if the tenant believes that the submeter
34 reading is inaccurate or the submeter is malfunctioning, the tenant
35 shall first notify the landlord in writing and request an
36 investigation. A tenant shall be provided with notice that if an
37 alleged submeter malfunction is not resolved by the landlord, a
38 tenant may contact the local county sealer and request that the
39 submeter be tested. Contact information for the county sealer shall
40 be included in the disclosure to the tenant.

1 (i) A statement that this disclosure is only a general overview
2 of the laws regarding submeters and that the laws can be found at
3 Chapter 2.5 (commencing with Section 1954.201) of Title 5 of
4 Part 4 of Division 3 of the Civil Code, available online or at most
5 libraries.

6 1954.205. (a) As part of the regular bill for water service, a
7 landlord shall only bill a tenant for the following water service:

8 (1) Volumetric charge for water at a rate calculated by dividing
9 the total charges for volumetric water use at the entire property by
10 the total volume of volumetric water used at the property multiplied
11 by the tenants measured usage at the property.

12 (2) Any recurring fixed charge for water service billed to the
13 property by the purveyors that, at the landlord's discretion, shall
14 be calculated by either of the following:

15 (A) The tenant's proportion of the total fixed charges charged
16 to the property. The tenant's proportion shall be based on the
17 percentage of the tenant's volumetric water use in relation to the
18 total volumetric water use of the entire property, as shown on the
19 property's water bill during that period.

20 (B) Dividing the total fixed charges charged to the property
21 equally among the total number of residential units and
22 nonresidential units at the property.

23 (3) A billing, administrative, or other fee for the landlord's and
24 billing agent's costs, which shall be the lesser of an amount not to
25 exceed four dollars and seventy-five cents (\$4.75), as adjusted
26 pursuant to this paragraph or 25 percent of the amount billed
27 pursuant to paragraph (1). Beginning January 1, 2018, the
28 maximum fee authorized by this paragraph may be adjusted each
29 calendar year by the landlord, no higher than a commensurate
30 increase in the Consumer Price Index based on a California fiscal
31 year average for the previous fiscal year, for all urban consumers,
32 as determined by the Department of Finance.

33 (4) A late charge as assessed pursuant to Section 1954.213.

34 (b) If a submeter reading for the beginning or end of a billing
35 period is, in good faith, not available, the landlord shall bill the
36 tenant according to Section 1954.212.

37 (c) This section does not prohibit a landlord or the landlord's
38 billing agent from including any other lawful charges on the same
39 bill.

1 1954.206. (a) Submeters shall be read within three days of the
2 same point in each billing cycle.

3 (b) Payments shall be due at the same point in each billing cycle.
4 A tenant may agree in writing to receive a bill electronically. A
5 tenant may rescind authorization for electronic delivery of bills at
6 any time. A tenant shall not be required to pay a bill electronically.

7 (c) A bill shall include and separately set forth the following
8 information:

9 (1) The submeter reading for the beginning date and ending
10 date of the billing cycle, the dates read, and the indicated
11 consumption as determined by subtracting the amount of the
12 beginning date submeter reading from the amount of the ending
13 date submeter reading. If the unit of measure is in something other
14 than gallons, the indicated consumption shall be expressed in
15 gallons.

16 (2) The amounts charged pursuant to subdivision (a) of Section
17 1954.205.

18 (3) The rate or rates charged for the volumetric charge per unit
19 of measure.

20 (4) The amount, if any, due from the previous month's bill.

21 (5) The amount, if any, due from bills prior to the previous
22 month's bill.

23 (6) The late fee, if any, imposed on amounts specified in
24 paragraph (4) or (5).

25 (7) The total amount due for the billing period.

26 (8) The due date for the payment.

27 (9) If a late fee is charged by the landlord, a statement of when
28 the late fees would apply.

29 (10) The procedure to contact the landlord or billing agent with
30 questions or concerns regarding the bill. Upon request of the tenant,
31 the landlord or billing agent shall respond in writing to any
32 questions or disputes from the tenant. If a billing agent is used, the
33 name of the billing agent shall be disclosed. The tenant shall be
34 provided a mailing address, email address, telephone number,
35 which shall be either a toll-free or a local number, and the time of
36 regular telephone hours for contact regarding billing inquiries.

37 (11) A statement that the landlord or billing agent is not the
38 water purveyor that includes the name of the local water purveyor
39 providing the water service to the master meter.

1 (d) Notwithstanding paragraphs (4) and (5) of subdivision (c),
2 a separate bill may be provided for past due amounts if past due
3 amounts are not included on the current month's bill.

4 1954.207. (a) At the beginning of a tenancy, a submeter shall
5 be read after the tenant takes possession. If the regular reading
6 occurs less than five days prior to the tenant taking possession,
7 that reading may be substituted to establish usage. If the submeter
8 is manually read, the first bill may be estimated based on the rate
9 established in subdivision (b) of Section 1954.212.

10 (b) For a water-service bill at the end of a tenancy, the submeter
11 shall be read within five days, if possible. If the submeter cannot
12 be read within five days at the end of a tenancy, the bill amount
13 for the final month shall be based on the bill amount for the
14 previous month.

15 (c) The landlord may deduct an unpaid water service bill from
16 the security deposit upon the ending of a tenancy, if the last water
17 service bill showing the amount due is attached to the
18 documentation required by Section 1950.5.

19 1954.208. Unless it can be documented that a penalty is solely
20 the result of a tenant's failure to comply with state or local water
21 use regulations or restrictions, or both, regarding wasting of water,
22 a landlord shall not charge, recover, or allow to be charged or
23 recovered, fees incurred by the landlord from the purveyors, billing
24 agent, or any other person for any deposit, disconnection,
25 reconnection, late payment by the landlord, or any other penalty
26 assessed against the landlord. This section shall not prevent a
27 landlord from charging a tenant for the tenant's late payment of
28 any bill.

29 1954.209. The landlord shall maintain and make available in
30 writing, at the tenant's written or electronic request, within seven
31 days after the request, the following:

32 (a) The date the submeter was last inspected, tested, and verified,
33 and the date by which it shall be reinspected, tested, and verified
34 under law, if available. If this information is not available, the
35 landlord shall disclose that the information is not available.

36 (b) The data used to calculate the tenant's bill, as follows:

37 (1) The most recent water bill for the property's master water
38 meter showing the recurring fixed charge for water service billed
39 to the property by the water purveyor, and the usage charges for
40 the property, including any tiered amounts.

1 (2) Any other bills for water service, as defined in subdivision
2 (h) of Section 1954.202, for the property.

3 (3) The number of units in the property.

4 (4) If not shown on the bill for the property, the per unit charges
5 for volumetric water usage, including any tiered amounts.

6 (5) The formula used to calculate the charge for the tenant's
7 volumetric water usage.

8 (c) The location of the submeter.

9 1954.210. (a) If a tenant notifies the landlord in writing of, or
10 the landlord otherwise becomes aware of, a leak, a drip, a running
11 toilet, or other submeter problem, or a submeter reading indicates
12 constant or abnormal high water usage, the landlord shall have the
13 condition investigated, and, if warranted, rectify the condition.

14 (b) A tenant shall not remove any water fixtures or water
15 conservation devices that have been installed by the landlord.

16 (c) If the condition is rectified more than 14 days after the tenant
17 notifies the landlord in writing pursuant to subdivision (a), the
18 tenant's volumetric usage for any month or months that include
19 the period between 14 days after the initial investigation and the
20 repair shall be deemed to be fifteen dollars (\$15) or actual usage,
21 whichever is less. At the landlord's option, if submeter readings
22 are available to determine the usage at a point prior to investigation
23 and a point following repair, usage shall be deemed to be fifty
24 cents (\$0.50) per day for those days between the two submeter
25 readings or actual usage, whichever is less.

26 (d) If the condition remains unrectified for six months after
27 investigation, no further volumetric usage charges may be imposed
28 until the condition is repaired.

29 1954.211. In addition to the grounds for entry specified in
30 subdivision (a) of Section 1954, the landlord may enter a unit as
31 follows:

32 (a) For the purpose of installing, repairing, testing, and
33 maintaining a submeter, or for the purpose of repairing or testing
34 any water fixture suspected by the landlord or reported by the
35 tenant to be in need of repair, if the requirements of Section 1954
36 are met.

37 (b) To read a submeter, if the requirements of this chapter and
38 Section 1954 are met. Notwithstanding paragraph (3) of subdivision
39 (d) of Section 1954, notice shall be given only in writing.

1 1954.212. (a) If a monthly submeter reading necessary to
2 measure volumetric *usage* is unavailable, the tenant may be charged
3 75 percent of the average amount billed for volumetric usage for
4 the last three months for which complete billing information is
5 available. The adjustment shall be disclosed on the bill.

6 (b) If no complete billing information is available for the prior
7 three months, the volumetric usage charge shall be deemed to be
8 fifty cents (\$0.50) per day that the data is not available.

9 (c) If monthly submeter readings remain unavailable for more
10 than six months, the volumetric usage charge shall be deemed to
11 be zero for any subsequent month that the data is not available.

12 1954.213. (a) A tenant may be charged a late fee for any water
13 service bill not paid 25 days after mailing or other transmittal of
14 the bill. If the 25th day falls on a Saturday, Sunday, or holiday,
15 the late fee shall not be imposed until the day after the first business
16 day following the 25th day.

17 (b) A late fee of up to seven dollars (\$7) may be imposed if any
18 amount of a bill remains unpaid after the time described in
19 subdivision (a). A late fee of up to ten dollars (\$10) may be
20 imposed in each subsequent bill if any amount remains unpaid. If
21 any partial payments are made, they shall be credited against the
22 bill that has been outstanding the longest.

23 (c) In addition to the purposes specified in subdivision (b) of
24 Section 1950.5, if a water service bill remains unpaid after the
25 time described in subdivision (a) expires, the landlord may also
26 claim the amount of the unpaid bill from the security deposit.

27 (d) If a water service bill remains unpaid for 30 days after the
28 time described in subdivision (a) expires, the nonpayment shall
29 constitute a curable material breach of the lease. The landlord shall
30 have the right to terminate the tenancy in accordance with
31 paragraph (3) of Section 1161 of the Code of Civil Procedure with
32 the service of a three-day notice to cure covenant or quit upon the
33 tenant.

34 (e) Water service charges under this chapter shall not constitute
35 rent.

36 (f) The water service to a dwelling unit shall not be shut off or
37 otherwise interfered with by the landlord for any reason, including
38 nonpayment of a bill. Notwithstanding the foregoing, a landlord
39 or its agent may shut off water service to a dwelling unit or the

1 property, in order to make repairs, replacements of equipment, or
2 perform other maintenance at the property.

3 1954.214. This chapter does not preclude or preempt an
4 ordinance or regulation adopted prior to January 1, 2013, that
5 regulates the approval of submeter types or the installation,
6 maintenance, reading, billing, or testing of submeters and
7 associated onsite plumbing.

8 1954.215. The rights or obligations established under this
9 chapter shall not be waived. Any purported waiver is void.

10 1954.216. (a) This chapter applies to the following:

11 (1) All dwelling units offered for rent or rented in a building
12 where submeters were required to be installed pursuant to a
13 building standard adopted in accordance with Section 17922.14
14 of the Health and Safety Code.

15 (2) All dwelling units where submeters are used to charge a
16 tenant separately for water service.

17 (b) Nothing in this chapter shall be construed to apply to any
18 dwelling units other than those described in subdivision (a).

19 1954.217. This chapter shall become operative on January 1,
20 2017.

21 1954.218. Any property that is required to install individual
22 submeters pursuant to Article 5 (commencing with Section 537)
23 of Chapter 8 of Division 1 of the Water Code shall at all times be
24 required to bill residents for water service pursuant to this chapter.

25 SEC. 2. Section 17922.14 is added to the Health and Safety
26 Code, to read:

27 17922.14. (a) During the next regularly scheduled intervening
28 code cycle that commences on or after January 1, 2016, or during
29 a subsequent code adoption cycle, the department may develop
30 and propose for adoption by the California Building Standards
31 Commission, pursuant to Chapter 4 (commencing with Section
32 18935) of Part 2.5, building standards requiring the installation of
33 water meters or submeters in multiunit residential structures, as
34 those terms are defined in Section 517 of the Water Code. These
35 standards shall conform to Article 5 (commencing with Section
36 537) of Chapter 8 of Division 1 of the Water Code.

37 (b) (1) The department shall determine whether and under what
38 circumstances the installation of water meters or submeters is
39 infeasible and include in the building standards proposed in
40 subdivision (a) the appropriate provision for exemption from this

1 requirement. The department may consider whether there are any
2 issues specific to high-rise multifamily buildings that would require
3 an exemption from the requirement for the installation of water
4 meters or submeters.

5 (2) The following categories of structures shall be exempt from
6 the building standards established pursuant to subdivision (a):

7 (A) Long-term health care facilities, as defined in Section 1418.

8 (B) Low-income housing. For the purposes of this subparagraph,
9 “low-income housing” means a residential building that is financed
10 with low-income housing tax credits, tax-exempt mortgage revenue
11 bonds, general obligation bonds, or federal, state, or local loans
12 or grants, for which rents charged to lower income ~~households~~,
13 *households* do not exceed rents prescribed by deed restrictions or
14 regulatory agreements pursuant to the terms of the financing or
15 financial assistance, and for which not less than 90 percent of the
16 dwelling units within the building are designated for occupancy
17 by lower income households. As used in this subparagraph, “lower
18 income households” has the same meaning as defined in Section
19 50079.5.

20 (C) Residential care facilities for the elderly, as defined in
21 subdivision (k) of Section 1569.2.

22 (D) Student dormitories.

23 (E) Time-share property, as defined in subdivision (aa) of
24 Section 11212 of the Business and Professions Code.

25 (c) Moneys in the Building Standards Administration Special
26 Revolving Fund established pursuant to Section 18931.7 shall be
27 available, upon appropriation by the Legislature, for the
28 department’s administrative costs associated with the development
29 of building standards in accordance with this section.

30 SEC. 3. Section 517 is added to the Water Code, to read:

31 517. “Submeter” means a device that measures water
32 consumption of an individual rental unit within a multiunit
33 residential structure or mixed-use residential and commercial
34 structure, and that is owned and operated by the owner of the
35 structure or the owner’s agent. As used in this section, “multiunit
36 residential structure” and “mixed-use residential and commercial
37 structure” mean real property containing two or more dwelling
38 units.

39 SEC. 4. Article 5 (commencing with Section 537) is added to
40 Chapter 8 of Division 1 of the Water Code, to read:

Article 5. Multiunit Structures

537. (a) The structures in all of the following categories shall be exempt from this article:

(1) Low-income housing. For purposes of this paragraph, “low-income housing” means a residential building financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, for which the rents of the occupants in lower income households, as defined in Section 50079.5 of the Health and Safety Code, do not exceed rents prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance, and for which not less than 90 percent of the dwelling units within the building are designated for occupancy by lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(2) Student dormitories.

(3) Long-term health care facilities, as defined in Section 1418 of the Health and Safety Code.

(4) Time-share property, as defined in subdivision (aa) of Section 11212 of the Business and Professions Code.

(5) Residential care facilities for the elderly, as defined in Section 1569.2 of the Health and Safety Code.

(b) A submeter used to measure water supplied to an individual residential unit that is required pursuant to this chapter shall be of a type approved pursuant to Section 12500.5 of the Business and Professions Code, and shall be installed and operated in compliance with regulations established pursuant to Section 12107 of the Business and Professions Code.

537.1. (a) Each water purveyor that sells, leases, rents, furnishes, or delivers water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure for which an application for a water connection, or more than one connection, is submitted after January 1, 2017, shall require a measurement of the quantity of water supplied to each individual dwelling unit as a condition of new water service. The measurement may be by individual water meters or submeters.

(b) (1) The owner of the structure shall ensure that each submeter installed complies with all laws and regulations governing

1 the approval of submeter types or the installation, maintenance,
2 reading, billing, and testing of submeters, including, but not limited
3 to, the California Plumbing Code.

4 (2) This subdivision does not require a water purveyor to fund
5 or assume responsibility for ensuring compliance with any law or
6 regulation governing the approval of submeter types or the
7 installation, maintenance, reading, billing, and testing of submeters
8 and associated onsite plumbing.

9 (3) Installation and maintenance of submeters shall be provided
10 by ~~contractors licensed plumbing contractors~~ *by the California*
11 *Contractors State License Board* using workers who have
12 graduated from a ~~state-approved~~ *state-approved* apprenticeship
13 program.

14 (c) A water purveyor shall not impose an additional capacity or
15 connection fee or charge for a submeter that is installed by the
16 owner, or his or her agent.

17 (d) This section shall remain operative until the date on which
18 the California Building Standards Commission includes standards
19 in the California Building Standards Code that conform to this
20 article.

21 537.2. (a) This article does not preclude or preempt an
22 ordinance or regulation that regulates the approval of submeter
23 types or the installation, maintenance, reading, billing, or testing
24 of submeters and associated onsite plumbing if the ordinance or
25 regulation was adopted prior to January 1, 2013.

26 (b) This article does not restrict the authority of a water
27 purveyor, city, county, city and county, or other local agency to
28 adopt and implement a program to promote water conservation
29 that includes the installation of water meters and submeters, as
30 required pursuant to subdivision (a) of Section 537.1, if the
31 program is at least as stringent as the requirements of this article.

32 537.3. It is the intent of the Legislature that this article should
33 not be construed to impose costs on any local government agency,
34 except to the extent that the local government agency is a water
35 purveyor.

36 537.4. This article shall become operative on January 1, 2017.

O