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**AB-604 Mobilehome parks: water utility charges.** (2023-2024)

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Date Published: 10/16/2023 10:00 AM

**Assembly Bill No. 604**

**CHAPTER 807**

An act to amend Section 798.40 of the Civil Code, and to amend Section 2705.5 of the Public Utilities Code, relating to mobilehomes.

[ Approved by Governor October 13, 2023. Filed with Secretary of State October 13, 2023. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 604, Lee. Mobilehome parks: water utility charges.

Existing law, the Mobilehome Residency Law, governs the term and conditions of mobilehome park tenancies. Existing law, if the management of a mobilehome park elects to separately bill water utility service to homeowners, limits charges and fees on homeowners in connection with those services to specified types of charges and fees.

Existing law authorizes the Public Utilities Commission to regulate public utilities, including water corporations. Under existing law, a person or corporation that maintains a mobilehome park and provides water service to users through a submeter service system is not a public utility and is not subject to the jurisdiction, control, or regulation of the commission if each user of the submeter service system is charged at the rate which would be applicable if the user were receiving the water directly from the water corporation.

This bill would provide that a person or other entity that maintains a mobilehome park or a multiple unit residential complex, and provides water service through a submeter service system, is exempt from regulation as a public utility if management of the mobilehome park complies with the limitations on charges and fees provided for in the Mobilehome Residency Law. This bill would also provide that those limitations on charges and fees in connection with water utility service apply to all management that elects to separately bill water utility service to homeowners, including where the water purveyor or the mobilehome park is subject to the jurisdiction, control, or regulation of the commission.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 798.40 of the Civil Code is amended to read:

**798.40.** (a) Where management provides both master-meter and submeter service of utilities to a homeowner, for each billing period the cost of the charges for the period shall be separately stated along with the opening and closing readings for the homeowner's meter. Management shall post, in a conspicuous place, the specific current residential utility rate schedule as published by the serving utility or the internet website address of the specific current residential utility rate schedule. If

management elects to post the internet website address where the schedule may be accessed, management shall do both of the following:

(1) Provide a copy of the specific current residential utility rate schedule, upon request, at no cost.

(2) State in the posting that a homeowner may request a copy of the rate schedule from management.

(b) If a third-party billing agent or company prepares utility billing for the park, management shall disclose on each resident's billing, the name, address, and telephone number of the billing agent or company.

(c) Whenever management elects to separately bill water service to a homeowner as a utility service pursuant to Section 798.41, and to provide submetered water service to homeowners as a master-meter customer of the water purveyor, as a part of the regular bill for water service, management shall only bill a homeowner for the following water service:

(1) A charge for volumetric usage, which may be calculated in any of the following ways:

(A) The amount shall be calculated by first determining the proportion of the homeowner's usage, as shown by the submeter, to the total usage as shown by the water purveyor's billing. The dollar amount billed to the homeowner for usage shall be in that same proportion to the dollar amount for usage shown by the water purveyor's billing.

(B) If the water purveyor charges for volumetric usage based on a tiered rate schedule, management may calculate the charge for a homeowner's volumetric usage as described in subparagraph (A) or management may instead divide each tier's volume evenly among the number of mobilehome spaces, and the rate applicable to each block shall be applied to the consumption recorded for each mobilehome space.

(C) If the water purveyor charges the property rates on a per-mobilehome-space basis, the homeowners may be charged at those exact per-mobilehome-space rates.

(D) In no event shall the charge for volumetric usage under this paragraph include in its calculation water used by or for any common area facility in the park, or water used by any other person or entity, other than the homeowner being billed.

(2) Any recurring fixed charge, however that charge may be designated, for water service billed to the property by the water purveyors that, at management's discretion, shall be calculated by either of the following:

(A) The homeowner's proportion of the total fixed charges charged to management for the park's water use. The homeowner's proportion shall be based on the percentage of the homeowner's volumetric water use in relation to the total volumetric water use of the entire park, as shown on management's water bill during that period.

(B) Dividing the total fixed charges charged to the park equally among the total number of spaces at the park.

(3) A billing, administrative, or other fee representing the combined total of management's and the billing agent's costs, which shall be the lesser of an amount not to exceed four dollars and seventy-five cents (\$4.75), as adjusted pursuant to this paragraph, or 25 percent of the amount billed pursuant to paragraph (1). Beginning January 1, 2022, the maximum fee authorized by this paragraph may be adjusted each calendar year by management, no higher than a commensurate increase in the Consumer Price Index based on a California fiscal year average for the previous fiscal year, for all urban consumers, as determined by the Department of Finance.

(d) For the purposes of this section, the following definitions apply:

(1) "Billing agent" means a person or entity that contracts to provide submetering services to management, including billing.

(2) "Submeter" means a device that measures water consumption of an individual mobilehome space within a park, and that is owned and operated by management.

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

(4) "Water purveyor" means a water purveyor as defined in Section 512 of the Water Code.

(e) Nothing in this section shall be construed to prevent management from recovering its costs to install, maintain, or improve its internal water delivery system, as may otherwise be allowed in any rental agreement or local regulation.

(f) The provisions of subdivision (c) shall apply to all management that elects to separately bill water service to a homeowner as a utility service pursuant to Section 798.41, and to provide submetered water service to homeowners as a master-meter customer

of the water purveyor, as a part of the regular bill for water service, including where the water purveyor or the mobilehome park is subject to the jurisdiction, control, or regulation of the Public Utilities Commission.

**SEC. 2.** Section 2705.5 of the Public Utilities Code is amended to read:

**2705.5.** Any person or corporation, and their lessees, receivers, or trustees appointed by any court, that maintains a mobilehome park or a multiple unit residential complex and provides, or will provide, water service to users through a submeter service system is not a public utility and is not subject to the jurisdiction, control, or regulation of the commission if each user of the submeter service system is charged at the rate which would be applicable if the user were receiving the water directly from the water corporation, or if management of the mobilehome park complies with subdivision (c) of Section 798.40 of the Civil Code.