



Indiana Association of REALTORS®

Please Support HB 1165

Last year, the General Assembly enacted legislation (HEA 1347) that would prevent local municipal utilities from forcing property owners to pay their tenants delinquent utility bills. By our count, at least thirteen municipalities had enacted ordinances that allowed their utilities to collect unpaid utility charges from landlords, instead of the tenants responsible for these charges. The Indiana Association of REALTORS®, property owners across the state, and real estate investors joined together to request legislation to align municipal utilities, for the purposes of collecting delinquent accounts, with investor-owned utilities, which are not permitted to collect unpaid debt in this manner.

In the wake of the legislature's decision to enact HEA 1347, some communities have refused to comply with the legislature's intent. They are using a loophole to **force** landlords to **co-sign** service contracts on behalf of tenants. Refusal to do so would mean utility service would not be provided.

HB 1165, authored by Rep. Woody Burton, would make it unlawful for a municipality to force a landlord to co-sign for the tenant. This bill also reinforces a formal opinion from the Office of the Attorney General that found that it was unlawful to hold owners responsible for tenants' unpaid bills.

Why It's Important to REALTORS®

A recent member survey conducted by the Indiana Association of REALTORS® shows that 38% of Hoosier REALTORS® own rental property. With some properties, the margins for the landlord can be very thin, and a large unplanned, delinquent utility bill can destroy any slight profit that an owner could possibly recoup. Owners also can learn about these delinquent bills long after the tenant has departed. Additionally, many REALTORS® manage property on behalf of their clients as part of their business model. This practice can make their management more difficult.

What Happens if Legislators Don't Make this Change?

If this change is not made, municipalities who have these unlawful ordinances will continue to unfairly force owners to be responsible for their tenants' accounts. Other municipalities will enact new ordinances to the same effect. It will create a statewide business environment that is detrimental to these business owners, and possibly further exasperate the housing shortage in our state.