

April 3, 1979

LB 143

instead on the tenants. So when I read LB 143 I asked myself what kind of notice provisions are in here so that tenants will know that the landlord is in default on the utility payment and their utilities are about to be shut off, and I discovered none. There is no such notice provision required of the tenants or required by utility to be given to the tenants. Then I asked myself, well, what can a tenant do to take care of this problem as it arises and I found that there was nothing there. So what I did as I searched around for some other law in some other areas to deal with the tenant situation and I came up with an act from Massachusetts which essentially is that in your Legislative Journal. Now I want to say one thing right now, this act as printed is not perfect. For example, it includes telephone shutoffs. Well, telephone shutoffs are not a part of LB 143 so it'd be my intention that telephone shutoffs be eliminated entirely from these amendments but it does include all of the utilities and what it says is this very simply. When a utility company does have knowledge that, in fact, those utility services are going into a tenant property, then that utility company as it is about to shut off those utilities has got to give a notice to the tenants in that property that those utilities are being shut off. Now Senator Labeledz brought out before the Revenue Committee the fact that many landlords avoid paying the sales tax on utilities because those landlords tell the utility company that they are not the ultimate consumer of the utility, that in fact there is a tenant who is the ultimate consumer of that utility and, therefore, the landlord doesn't pay the sales tax. But what is more important to me is that by virtue of that declaration by the landlord, the utility company knows that that's a tenant property and the utility company then with that knowledge can make certain that if a shutoff is about to occur that the tenants receive the notice. Now this provision goes on further. It says that when the notice is provided to the tenants, the tenants themselves are to be afforded an opportunity to come forward to the utility company and to have the services put in their own name, if that is a possibility. Now in some units that is not a possibility but in other units it is a possibility to have the services put in their own name. Furthermore, from that point forward, the tenants are to pay those utilities directly to the utility company and are to be allowed to deduct the cost of those payments from the rents to the landlord. Now as I indicated there are a number of apartments where you really can't put the service in the names of the tenant. Why? For example, one apartment is centrally heated, might have forty tenant apartments but the building itself is centrally heated and so there is one