#56
7/15/25

(O-2025-145)

ORDINANCE NUMBER O-21987 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 18 2025

AN ORDINANCE AMENDING CHAPTER 9, ARTICLE 8 OF THE SAN DIEGO MUNICIPAL CODE BY ADDING DIVISION 12, SECTIONS 98.1201, 98.1202, 98.1203, 98.1204, 98.1205, 98.1206, AND 98.1207, RELATING TO RESIDENTIAL TENANT UTILITY FEES.

RECITALS

The Council of the City of San Diego (Council) adopts this Ordinance based on the following:

A. The City of San Diego (City) is committed to safeguarding tenant rights, promoting transparency, and protecting tenants from excess charges.

B. The costs of housing, food, and transportation in the San Diego region are significantly higher than the national average, which, along with inflationary concerns, has an impact on residents' well-being, health, and quality of life.

C. More than 50 percent of renters are housing burdened, which means more than 30 percent of their household income is spent on housing.

D. The California Tenant Protection Act of 2019 limits landlords from increasing tenants' rent during the prior 12-month period by more than 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower; however, it does not address utility fees landlords may pass through to tenants.

E. The City currently charges residents for sewer, water, and stormwater services. In November 2022, a majority of the voters approved Measure B, which amended the San Diego Municipal Code to allow the City to also charge a fee for City-provided solid waste management services, including waste and recycling collection services.

F. The City wants to ensure that if landlords pass through utility fees for City-provided utility services to tenants, the amount is no greater than the amount the landlord pays the City for the tenant's utility services and notice is provided to tenants prior to the landlord charging utility fees to the tenant.

G. The Ordinance will also provide a mechanism for tenants to request and obtain a copy of the landlord's utility or tax bill that sets forth the utility fee the landlord paid to the City.

H. The provisions of Chapter 1, Article 2 of the San Diego Municipal Code, including the enforcement of judicial and administrative remedies, shall apply to this Ordinance.

I. The Office of the City Attorney prepared this Ordinance based on the information provided by City staff, including information provided by affected third parties and verified by City staff, with the understanding that this information is complete and accurate.

ACTION ITEMS

Be it ordained by the Council of the City of San Diego:

Section 1. Chapter 9, Article 8 of the San Diego Municipal Code is amended by adding new Division 12, sections 98.1201 through 98.1207, to read as follows:

Division 12: Residential Tenant Utility Fees

§98.1201 Purpose and Intent

The purpose and intent of this Division is to promote fairness, equity, and transparency regarding how *landlords* charge *utility fees* to residential *tenants*. This Division protects *tenant* rights by limiting how much *landlords* can charge *tenants* for *utility fees* the *landlord* pays for *utility services.* This Division provides transparency by requiring *landlords*, upon a *tenant's* written request, to provide copies of utility bills or *tax roll billing reports* that show actual *utility fees*

the *landlord* paid for *utility services*, and calculations for the amount charged to the *tenant*. The rights conferred by this Division are in addition to any existing rights provided to *tenants* by state or federal law.

§98.1202 Definitions

All defined terms in this Division appear in italics. For the purposes of this Division, the following definitions apply:

City has the same meaning as in San Diego Municipal Code section 11.0210, as may be amended.

Landlord has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

Lease has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

Identified parcel means a parcel of real property that the *City* has identified as having a special benefit conferred upon it and upon which a property-related fee has been imposed.

Sensitive personal information includes confidential financial data, bank account numbers, credit card or debit card numbers, account log-in information, intellectual property, and identification numbers such as social security number, passport number, driver's license number, and individual or business taxpayer identification numbers.

Residential rental property has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

Tax roll billing report means a report published pursuant to California Health and Safety Code section 5473 that contains a description of *identified parcels* of real property receiving services billed on the tax roll and the amount of the charge for each *identified parcel* for the year.

Tenant has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

Utility fee means the amount the *City* charges for *utility services*.

Utility services means *City*-provided water, sewer, stormwater, or solid waste management services.

§98.1203 Tenant Utility Fees

(a) A *landlord* may charge a *tenant* the cost of a *utility fee* the *landlord* pays for *utility services* the *tenant* consumes. The *utility fee* the *landlord* charges the *tenant* shall be no greater than the amount the *landlord* pays for the *tenant's utility service*s. Nothing in this Ordinance shall be interpreted to prohibit the *landlord* from charging the *tenant* an otherwise lawful late fee for unpaid *utility fees*.

(b) Notwithstanding any other provision of this Division, a *landlord* that utilizes submeters pursuant to Chapter 2.5 of Title 5 of Part 4 of Division 3 of the California Civil Code is not subject to this Division with respect to *utility fees* for *utility services* covered under that Chapter. Nothing in this section should be interpreted to exempt *landlords* from any other provision of the Division, including charges for any other *utility services* regulated by this Division.

§98.1204 Written Notice

(a) To charge *utility fees* to a *tenant* as authorized by section 98.1203, the *landlord* shall either:

(1) Provide the *tenant* written notice in the *lease* that the *tenant* will be charged a *utility fee* for *utility services* the *tenant* consumes; or

(2) Provide written notice, by delivering a copy to the *tenant* personally or by serving a copy by mail under the procedures prescribed in section 1162(a) of the Code of Civil Procedure, to all *tenants* residing at the *residential rental property* that will be charged a *utility fee* for *utility services* the *tenant* consumes. *Landlords* providing written notice under subsection 98.1204(a)(2) shall do so at least 30 calendar days in advance of charging the *tenant* a *utility fee*.

(b) If a *landlord* began charging *tenants* for *utility fees* prior to the effective date of this Division, written notice required under section 98.1204(c) shall be provided no later than 90 calendar days after this Division is in effect.

(c) All written notices provided under section 98.1204 shall inform *tenants* of the *landlord's* obligations under sections 98.1204 and 98.1205. The notice shall include the following language:

Equitable Fees and Right to Notice: The City of San Diego allows landlords to charge you a utility fee for water, sewer, stormwater, and trash and recycling services if (i) the utility fee is not greater than the

amount the landlord pays for your utility services, (ii) you are provided written notice that a utility fee for utility services will be charged, and (iii) upon request, the landlord provides you with a copy of the utility or tax bill and the calculations used to determine the amount of the utility fee you are charged, if that applies.

§98.1205 Documentation and Computations

(a) Within 10 calendar days of a *tenant's* written request, a *landlord* that charges a *tenant* a *utility fee* under this Division shall provide the *tenant* with a copy of the *landlord's* utility or tax bill that sets forth the *utility fee* the *landlord* paid or shall provide a copy or link to *the tax roll billing report* if the *utility fees* are collected on the County tax rolls. A *landlord* may redact confidential or *sensitive personal information* from the utility or tax bill provided to the *tenant.*

(b) If a *tenant* provides a written request under section 98.1205(a), and the *landlord* receives a single utility bill from the *City* for *utility services* provided to multiple *tenants*, the *landlord* shall provide the utility or tax bill and the calculations used to determine allocation of the *utility fees* to the individual *tenants* within 10 calendar days of the request.

§98.1206 Third-Party Billing Service

If a third-party service provider manages, bills, or collects *utility fees* from the *tenant* on behalf of the *landlord,* and the costs for the third-party service provider to provide this service are passed through to the *tenant,* the specific amount for this service that is charged to the *tenant* shall be separately identified and included

in the calculations provided to the *tenant* under section 98.1205. The *tenant* shall be provided invoices, receipts, or other verifiable documentation to support the third-party service provider's billing fees charged to the *landlord* and passed through to the *tenant*.

§98.1207 Enforcement and Remedies

(a) A *tenant* claiming a violation of this Division may file an action against a *landlord* in a court of competent jurisdiction.

(b) A *tenant* may seek injunctive relief, equitable relief, and monetary damages, including punitive damages, in a civil action against a *landlord* for a violation of this Division.

(c) The provisions of Chapter 1, Article 2 of the San Diego Municipal Code, including the enforcement of judicial and administrative remedies, shall apply to this Ordinance.

(d) The remedies under this section are cumulative and may be used in addition to any other remedies in this Division or at law, statute, or ordinance.

Section 2. The Council dispenses with a full reading of this Ordinance before its passage because a written copy of this Ordinance was made available to the Council and the public before the date of its passage.

Section 3. This Ordinance will take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: HEATHER FERBERT, City Attorney

By _____ for
Nicole M. Denow
Senior Deputy City Attorney

NMD:amt
June 24, 2025
Or.Dept: Council District 9
Doc. No. 4045603_2

I certify that the Council of the City of San Diego adopted this Ordinance at a meeting held on JUL 15 2025.

DIANA J.S. FUENTES
City Clerk

By _____
Deputy City Clerk

Approved: 7/10/25 _____
(date) TODD GLORIA, Mayor

Vetoed: _____ _____
(date) TODD GLORIA, Mayor

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~
NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

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(2) Provide written notice, by delivering a copy to the *tenant* personally or by serving a copy by mail under the procedures

prescribed in section 1162(a) of the Code of Civil Procedure, to all *tenants* residing at the *residential rental property* that will be charged a *utility fee* for *utility services* the *tenant* consumes. *Landlords* providing written notice under subsection 98.1204(a)(2) shall do so at least 30 calendar days in advance of charging the *tenant* a *utility fee.*

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(c) All written notices provided under section 98.1204 shall inform *tenants* of the *landlord's* obligations under sections 98.1204 and 98.1205. The notice shall include the following language:

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(a) Within 10 calendar days of a *tenant's* written request, a *landlord* that charges a *tenant* a *utility fee* under this Division shall provide the *tenant* with a copy of the *landlord's* utility or tax bill that sets forth the *utility fee* the *landlord* paid or shall provide a copy or link to the *tax roll billing report* if the *utility fees* are collected on the County tax rolls. A *landlord* may redact confidential or *sensitive personal information* from the utility or tax bill provided to the *tenant.*

(b) If a *tenant* provides a written request under section 98.1205(a), and the *landlord* receives a single utility bill from the *City* for *utility services* provided to multiple *tenants*, the *landlord* shall provide the utility or tax bill and the calculations used to determine allocation of the *utility fees* to the individual *tenants* within 10 calendar days of the request.

§98.1206 Third-Party Billing Service

If a third-party service provider manages, bills, or collects *utility fees* from the *tenant* on behalf of the *landlord,* and the costs for the third-party service provider to provide this service are passed through to the *tenant,* the specific amount for this service that is charged to the *tenant* shall be separately identified and included in the calculations provided to the *tenant* under section 98.1205. The *tenant* shall be provided invoices, receipts, or other verifiable documentation to support the third-party service provider's billing fees charged to the *landlord* and passed through to the *tenant.*

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(c) The provisions of Chapter 1, Article 2 of the San Diego Municipal Code, including the enforcement of judicial and administrative remedies, shall apply to this Ordinance.

(d) The remedies under this section are cumulative and may be used in addition to any other remedies in this Division or at law, statute, or ordinance.

NMD:amt
June 24, 2025
Or.Dept: Council District 9
Doc. No. 4045619_2

Passed by the Council of The City of San Diego on JUL 15 2025, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☒	☐	☐	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☒	☐	☐	☐
Marni von Wilpert	☐	☐	☒	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage JUL 18 2025.

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

(Seal)

By Connie Patterson Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUL 01 2025, and on JUL 18 2025.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

(Seal)

By Connie Patterson, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 21987