OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 173
136th General Assembly

Final Analysis

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Primary Sponsor: Rep. D. Thomas

Effective date: Vetoed

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On June 24, 2026, Governor DeWine vetoed H.B. 173. A summary of the vetoed act is below. For a more detailed description of the act's provisions, see LSC's analysis of H.B. 173, As Reported by Senate Public Utilities.

Exemption from being a public utility

- Would have exempted from regulation as a public utility by the Public Utilities Commission (PUCO) both of the following:
  - A person, business, or other entity that, either on its own behalf or under a contract with a property owner, provides, constructs, or installs for customers submetered utility service;
  - Billing service for the resale of water service to a tenant or condominium based on metered consumption that is delivered at a point after water service is delivered to the public utility's metered point of delivery.
- Would have defined "submetered utility service" to be various services that are provided, constructed, or installed at a point after services provided by a public utility are delivered to the utility's metered points of delivery at the customer's location, such as, for example, electric service to nonresidential customers and resale of electricity to a tenant's dwelling unit by a landlord or the landlord's agent that is based on metered consumption.
- Would have classified a submetered utility service provider as a "public utility" for purposes of determining the assessments imposed on utilities and railroads to pay the costs of administering and maintaining PUCO.
- Would have provided, in the case of a PUCO-assessment based on intrastate gross receipts against a submetered utility service provider, such receipts are limited to receipts for submetered utility service.

Public utility meter location prohibition

- Would have prohibited, except for reasons of safety or reliability:

- A public utility from setting the location of, or refusing to relocate, its meters so that their location prevents a submetered utility provider or a water billing service provider from conducting their ordinary business.
- PUCO from adopting any rule allowing such a public utility to locate, or refuse to relocate, its meters to disrupt a providers business.

- Would have defined "water utility billing service" as a billing service for the resale of water service to a tenant's dwelling unit or to a condominium as described above.
- Would have defined "water utility" as the entity responsible for supplying water for human consumption to customers within a service area, excluding a water billing service provider.

Public utility personal property or equipment offer for sale

- Would have required a public utility, except for reasons of safety or reliability, to offer to sell certain personal property or equipment to a utility customer at the property or equipment's fair market value if specified requirements are met.

Electric utility data reference tools

- Would have required each electric utility to maintain up-to-date reference tools that permit automatic calculation of what the utility would charge its residential customers with a specific kilowatt-hour usage during any of the most recent 12 months.

Submetered utility/water billing service providers

Submetered electricity resale and water billing service charge limit

- Would have prohibited a submetered utility service provider that resells electricity to a tenant based on metered consumption at the tenant's dwelling unit from charging the tenant more than the applicable residential customer standard service offer and all tariffed charges and riders.
- Would have prohibited a water billing service provider from charging a tenant or condominium more than the water utility, in whose service area the dwelling unit or condominium is located, would charge the tenant or condominium for water service.

Converting buildings for utility/billing service

- Would have prohibited, on and after the act's effective date, the following:
  - A submetered utility service provider from converting a building that receives electric service from an electric utility to receive submetered utility service, but would have allowed such conversion if the building is not receiving service from an electric utility.
  - A water billing service provider from converting a building that receives water service from a water utility to receive water billing service, but would have allowed such conversion if the building is not receiving water utility water service.

Undercharged service recovery prohibited

- Would have prohibited a submetered utility service provider or water billing service provider from billing or otherwise recovering from customers any amounts that were previously undercharged for unmetered electricity or water service.

Equipment sales prohibited

- Would have prohibited a submetered utility service provider from selling the provider's equipment to an electric utility.

Common area charges

- Would have prohibited certain submetered utility service providers from charging a tenant a common area charge or fee, but would have allowed the provider to charge a landlord a common area charge or fee.

Submetered utility service provider registration

- Would have required a submetered utility service provider that resells electricity to a tenant based on metered consumption at the tenant's dwelling unit to register with PUCO every two years and comply with PUCO rules.
- Would have required PUCO, not later than one year after the act's effective date, to adopt rules to implement the provider registration requirement.
- Would have allowed PUCO to require the biennial registration of other submetered utility service providers that provide submetered utility service to residential end users, and that any such providers comply with applicable registration requirements.
- Would have prohibited a submetered utility service provider from providing submetered utility service to an Ohio consumer without being registered, if registration is required.

Interim compliance plans

- Would have required a submetered utility service provider that resells electricity to a tenant based on metered consumption at the tenant's dwelling unit at a property or community with more than 50 dwelling units ("tenant utility service provider") to file an interim compliance plan for each property or community at which submetered utility service is provided for PUCO approval until the adoption of compliance plan rules.
- Would have specified interim compliance plan filing deadlines and other requirements for PUCO approval.
- Would have terminated an approved interim compliance plan upon PUCO approving a compliance plan for the same property or community or upon PUCO otherwise terminating the interim compliance plan.
- Would have required PUCO to adopt interim compliance plan rules not more than 180 days after the act's effective date.

- Would have prohibited a submetered utility service provider required to file an interim compliance plan from providing submetered utility service to Ohio customers without an interim compliance plan until compliance plan rules are adopted.

Compliance plans

- Would have required a tenant utility service provider to file a compliance plan for PUCO approval for each property or community at which submetered utility service is provided to tenants.
- Would have specified compliance plan filing deadlines and requirements for PUCO to approve a compliance plan.
- Would have required PUCO to adopt compliance plan rules not more than one year after the act's effective date.
- Would have prohibited a submetered utility service provider that must file a compliance plan from providing submetered utility service to Ohio customers without a compliance plan.

Landlord submetered utility service lease language

- Would have required a landlord of a property or community with more than 50 dwelling units that is not the submetered utility service provider to separately contribute to or attest to the language included, or to be included, in each tenant's lease relating to submetered utility service.

Other provider requirements

- Would have imposed various other requirements on a submetered utility service provider that resells electricity to a tenant based on metered consumption at the tenant's dwelling unit, such as, for example, compliance with existing law and rules regarding the disconnection of electric service by an electric light company.
- Would have required PUCO to adopt rules to implement the other provider requirements by not later than one year after the act's effective date.

Provider registration or plan evaluation by PUCO

- Would have allowed PUCO to approve or issue a notice of deficiency relating to a submetered utility service provider registration application, interim compliance plan filing, or compliance plan filing not more than 30 days after receipt from a tenant utility service provider.
- Would have allowed a provider that receives a notice of deficiency to submit an amended filing to PUCO within 90 days of receipt.
- Would have specified that a provider application or filing that is not approved, or for which a notice of deficiency is not submitted, within 90 days is approved by operation of law.

Rule requirements

- Would have required rules adopted by PUCO to implement the act's submetered utility service providers provisions to be reasonable and not confer any undue economic, competitive, or market advantage or preference upon any electric light company, submetered utility service provider, or competitive retail electric service provider.
- Would have required PUCO to adopt rules that govern submetered utility service providers that provide submetered utility service to residential end users other than providers that resell electricity to a tenant based on metered consumption at the tenant's dwelling unit.

Penalties

- Would have created various penalties for a submetered utility service provider that is found to have violated or failed to comply with the act, such as, for example, a $10,000 forfeiture if a tenant utility service provider operates without an approved compliance plan.
- Would have authorized PUCO to impose certain penalties on a water billing service provider that is found to have violated or failed to comply with the act, such as, for example, a forfeiture of not more than $100 for each violation or compliance failure per impacted dwelling unit or condominium, or restitution paid to the provider's customers.
- Would have provided for a submetered utility service provider or landlord to be barred from providing submetered utility service in Ohio for up to two years or permanently for a violation or failure to comply with the act's requirements.

Rental agreement disclosure of utility service resale

- Would have required a landlord that resells or permits resale of utility service to tenants to: (1) disclose the nature of such utility service and all related charges and fees in its leases, and (2) comply with the applicable submetered utility service provisions of the act.

HISTORY

Action	Date
Introduced	03-12-25
Reported, H. Energy	03-10-26
Passed House (74-23)	03-18-26
Reported, S. Public Utilities	06-10-26
Passed Senate (24-9)	06-10-26
House concurred in Senate amendments (56-35)	06-10-26
Vetoed by the Governor	06-24-26

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