



# Colorado's 2026 Utility Billing Law: What Mobile Home Park Owners Need to Know

*The law changed on January 1st, 2026. RUBS is out. You may need to take action to be compliant.*

**Note: This paper does not constitute legal advice. You should consult your attorney before acting.**

## Overview

Starting January 1, 2026, Colorado law changes how mobile home parks may bill residents for water. Under **House Bill 25-1090** (sometimes called the “Junk Fee Bill”), residents may only be charged for the water they personally use. Existing practices like RUBS, which divide a master bill among residents, are no longer compliant for new leases or when leases renew.

While the Colorado Attorney General has offered limited, temporary discretion to waive enforcement, that flexibility comes with conditions, and it may be short-lived. Park owners should treat early 2026 as the critical transition period to reduce legal and financial risk.

## Why This Matters for Mobile Home Parks

Even though many residents own their homes and rent only the pad, the law still applies when the park provides and bills for water. The new law states: “A landlord or the landlord’s agent shall not require a tenant to pay a fee, charge or amount [...] related to the provisions of utilities that is above the amount charged by the utility provider for service to the tenant’s dwelling unit”.

Legal interpretation generally treats the mobile home as the “dwelling unit” under the statute. Once a park bills water through management rather than directly from the city, the new rules apply.

The core requirement is simple but strict: residents can only be billed for the water their individual home actually uses. The costs of water used for common areas—such as irrigation, pools, laundry rooms, or clubhouses—may not be passed on to residents in any form.

## What Changes in Practice

RUBS and similar allocation systems are no longer permitted. Because they rely on averages or shared usage, they inevitably cause some residents to pay for water they did not use, including leaks or common-area consumption. Under the new law, that is not allowed.

While the statute does not explicitly mandate submeters (i.e. a meter for each home), submetering is effectively the only practical way to comply. Without individual usage data, it becomes extremely difficult to prove that residents are being billed only for their own water.

## The Attorney General's Temporary Guidance

In November 2025, the Attorney General acknowledged that many parks are not yet fully compliant and announced limited enforcement discretion. This discretion applies only if all of these conditions are met:

- total resident charges cannot exceed the total utility bill
- no fees or markups of any kind may be added
- common-area water must be fully excluded from residents' bills
- the billing method must be clearly explained in the existing lease.

This is not a grace period you can rely on long-term. Enforcement applies to any lease that is signed, amended, or renewed after January 1, 2026, including month-to-month renewals. The Attorney General may also change enforcement posture at any time.

Penalties for noncompliance are significant and include treble damages, attorney's fees, tenant lawsuits, and potential action against the entire park.

## Why Many Parks Are Moving to Submetering

For most mobile home parks, submetering is the safest and most defensible path forward. It allows owners to bill accurately, demonstrate fairness, and document compliance with regulations. Beyond legal protection, submetering often identifies hidden leaks, encourages water conservation, reduces overall water usage, and lowers long-term operating costs.

Parks on wells face additional scrutiny. Owners may charge only the true cost of producing water, and many

counties limit total draw. Submetering helps manage usage, avoid regulatory issues, and support rate adjustments where allowed.

## Lease Considerations

All new leases beginning January 1, 2026 must clearly explain how water is billed, what is included, and how common-area usage is handled. Existing leases cannot always be changed unilaterally. In many parks—especially those with older leases—utility billing methods may be locked in unless specific amendment language exists. Legal review of lease terms is critical before changing billing practices.

## What Park Owners Should Do Now

Owners should start by reviewing leases, identifying non-compliant practices, and mapping common-area water. Your attorney should confirm what changes are allowed and help prepare compliant lease language. From there, parks should plan for submeter installation and begin resident communication well before renewals occur. Relying on temporary enforcement discretion is risky; transitioning away from RUBS by mid-2026 is the safer course.

## Bottom Line

RUBS is effectively over in Colorado. Residents may only be charged for the water their home actually uses, and common-area water must be excluded. The Attorney General's guidance provides limited breathing room, not a long-term solution. For most mobile home parks, submetering is the clearest way to comply with the law, provide fair billing, and reduce disputes.

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