
Local Government & Housing Committee

ESB 6261

Brief Description: Addressing utility services collections against rental property.

Sponsors: Senators Marr, Schoesler, Berkey, Zarelli and Hobbs.

<p>Brief Summary of Engrossed Bill</p>

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| <ul style="list-style-type: none">• Establishes new provisions related to delinquent charges of municipal utility services. |
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Hearing Date: 2/22/10

Staff: Becca Kenna-Schenk (786-7291) and Ethan Moreno (786-7386).

Background:

Notification of a Tenant's Delinquent Charges.

When an owner or the owner's designee requests in writing to be notified of a tenant's delinquency on utility charges, the municipal electric light and power utility must provide the notice to the owner or the owner's designee. The owner or designee must identify the property as rental property and provide a mailing address. The utility must notify the owner or designee in the same manner the utility notifies the tenant of the tenant's delinquency or by mail. If the utility fails to notify the owner or designee of a tenant's delinquency after receiving a written request to do so, the utility has no lien on the property for the tenant's delinquent bill.

Utility Liens.

Utilities operated by municipalities have a lien against properties to which utility services are provided after four months of delinquent bills have accrued. The dollar amount of the lien may not include any charges for that are more than four months past due. However, if the owner of the property provides a written request to the municipal utility to have services cut off and includes payment of any delinquent charges, the municipality has no lien against the property for further delinquent payments.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Delinquent Utility Charges for Rental Properties.

Municipal electric light and power utilities may only collect delinquent charges from owners of a rental property for up to four months of charges, provided that the owner has satisfied requirements to request notification of a tenant's delinquent utility charges. After August 1, 2010, if a municipality fails to notify an owner of rental property of a tenant's delinquent charges, the municipality has no lien on the rental property and is prohibited from collecting delinquent charges for electric light or power services from the owner, provided the owner of the rental property has provided a proper request to the municipality to receive such notification.

If a utility account is in a tenant's name, upon termination of a rental agreement and vacation of the premise, the property owner of the rental property or the owner's designee must notify the municipality. The notification must be submitted in writing within 14 days of the termination of the rental agreement and vacation of the premise. If the owner fails to comply with this requirement, and if the municipality has complied with its notification requirements, the municipal utility is no longer limited to collecting delinquent charges for only four months.

If a utility account for a rental property is in the owner's name and the municipal utility has been notified of the tenant's residency at the property, the municipality must notify the tenant of any pending disconnection of electric light or power services at least 10 days before the disconnection. In these cases, the tenant is not required to pay the landlord's delinquent charges.

Utility Liens.

A provision is removed that disallowed a municipality's lien against a property for further delinquent utility charges after the property owner provides a written request to the municipal utility to have services cut off and includes payment of any delinquent charges.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.