
SUBSTITUTE HOUSE BILL 1480

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Brumsickle, Sheldon, Huff, Blanton and Hickel)

Read first time 01/25/96.

1 AN ACT Relating to payment responsibility for utility service; and
2 amending RCW 35.21.290, 35.67.200, 36.94.150, 56.16.100, 57.08.080, and
3 80.28.010.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 35.21.290 and 1965 c 7 s 35.21.290 are each amended to
6 read as follows:

7 Cities and towns owning their own waterworks, or electric light or
8 power plants shall have a lien against the premises to which water,
9 electric light, or power services were furnished for four months
10 charges therefor due or to become due, but not for any charges more
11 than four months past due: PROVIDED, That the owner of the premises or
12 the owner of a delinquent mortgage thereon may give written notice to
13 the superintendent or other head of such works or plant to cut off
14 service to such premises accompanied by payment or tender of payment of
15 the then delinquent and unpaid charges for such service against the
16 premises together with the cut-off charge, whereupon the city or town
17 shall have no lien against the premises for charges for such service
18 thereafter furnished, nor shall the owner of the premises or the owner
19 of a delinquent mortgage thereon be held for the payment thereof.

1 All charges made for utility services shall be charged to the
2 customer who contracts for the services. In cases where the service
3 contract is with the tenant of a property, collection of charges shall
4 be made from the tenant and liens against the property owner are
5 prohibited. A city or town may not refuse to provide service to a
6 residential customer who is a tenant based on the nonpayment for
7 services by the prior customer. The city or town may refuse to provide
8 service if the prior nonpaying customer continues to reside in the
9 premises.

10 **Sec. 2.** RCW 35.67.200 and 1991 c 36 s 2 are each amended to read
11 as follows:

12 Cities and towns owning their own sewer systems shall have a lien
13 for delinquent and unpaid rates and charges for sewer service,
14 penalties levied pursuant to RCW 35.67.190, and connection charges,
15 including interest thereon, against the premises to which such service
16 has been furnished or is available, which lien shall be superior to all
17 other liens and encumbrances except general taxes and local and special
18 assessments. The city or town by ordinance may provide that delinquent
19 charges shall bear interest at not exceeding eight percent per annum
20 computed on a monthly basis: PROVIDED, That a city or town using the
21 property tax system for utility billing may, by resolution or
22 ordinance, adopt the alternative lien procedure as set forth in RCW
23 35.67.215.

24 All charges made for utility services shall be charged to the
25 customer who contracts for the services. In cases where the service
26 contract is with the tenant of a property, collection of charges shall
27 be made from the tenant and liens against the property owner are
28 prohibited. A city or town may not refuse to provide service to a
29 residential customer who is a tenant based on the nonpayment for
30 services by the prior customer. The city or town may refuse to provide
31 service if the prior nonpaying customer continues to reside in the
32 premises.

33 **Sec. 3.** RCW 36.94.150 and 1975 1st ex.s. c 188 s 3 are each
34 amended to read as follows:

35 All counties operating a system of sewerage and/or water shall have
36 a lien for delinquent connection charges and charges for the
37 availability of sewerage and/or water service, together with interest

1 fixed by resolution at eight percent per annum from the date due until
2 paid. Penalties of not more than ten percent of the amount due may be
3 imposed in case of failure to pay the charges at times fixed by
4 resolution. The lien shall be for all charges, interest, and penalties
5 and shall attach to the premises to which the services were available.
6 The lien shall be superior to all other liens and encumbrances, except
7 general taxes and local and special assessments of the county.

8 The county department established in RCW 36.94.120 shall certify
9 periodically the delinquencies to the treasurer of the county at which
10 time the lien shall attach.

11 Upon the expiration of sixty days after the attachment of the lien,
12 the county may bring suit in foreclosure by civil action in the
13 superior court of the county where the property is located. In
14 addition to the costs and disbursements provided by statute, the court
15 may allow the county a reasonable attorney's fee. The lien shall be
16 foreclosed in the same manner as the foreclosure of real property tax
17 liens.

18 All charges made for utility services shall be charged to the
19 customer who contracts for the services. In cases where the service
20 contract is with the tenant of a property, collection of charges shall
21 be made from the tenant and liens against the property owner are
22 prohibited. A county may not refuse to provide service to a
23 residential customer who is a tenant based on the nonpayment for
24 services by the prior customer. The county may refuse to provide
25 service if the prior nonpaying customer continues to reside in the
26 premises.

27 **Sec. 4.** RCW 56.16.100 and 1977 ex.s. c 300 s 6 are each amended to
28 read as follows:

29 The commissioners shall enforce collection of the sewer connection
30 charges and sewerage disposal service charges against property to which
31 and its owners to whom the service is available, such charges being
32 deemed charges against the property to which the service is available,
33 by addition of penalties of not more than ten percent thereof in case
34 of failure to pay the charges at times fixed by resolution. The
35 commissioners may provide by resolution that where either sewer
36 connection charges or sewer service charges are delinquent for any
37 specified period of time, the district shall certify the delinquencies
38 to the treasurer of the county in which the real property is located,

1 and the charges and any penalties added thereto and interest thereon at
2 the rate fixed by resolution, shall be a lien against the property to
3 which the service was available, subject only to the lien for general
4 taxes.

5 All charges made for utility services shall be charged to the
6 customer who contracts for the services. In cases where the service
7 contract is with the tenant of a property, collection of charges shall
8 be made from the tenant and liens against the property owner are
9 prohibited. A district may not refuse to provide service to a
10 residential customer who is a tenant based on the nonpayment for
11 services by the prior customer. The district may refuse to provide
12 service if the prior nonpaying customer continues to reside in the
13 premises.

14 **Sec. 5.** RCW 57.08.080 and 1982 1st ex.s. c 17 s 12 are each
15 amended to read as follows:

16 The commissioners shall enforce collection of the water connection
17 charges and rates and charges for water supplied against property
18 owners connecting with the system and/or receiving such water, such
19 charges being deemed charges against the property served, by addition
20 of penalties of not more than ten percent thereof in case of failure to
21 pay the charges at times fixed by resolution. The commissioners may
22 provide by resolution that where either water connection charges or
23 rates and charges for water supplied are delinquent for any specified
24 period of time, the district shall certify the delinquencies to the
25 treasurer of the county in which the real property is located, and the
26 charges and any penalties added thereto and interest thereon at the
27 rate of not more than eight percent per year shall be a lien against
28 the property upon which the service was received, subject only to the
29 lien for general taxes.

30 All charges made for utility services shall be charged to the
31 customer who contracts for the services. In cases where the service
32 contract is with the tenant of a property, collection of charges shall
33 be made from the tenant and liens against the property owner are
34 prohibited. A district may not refuse to provide service to a
35 residential customer who is a tenant based on the nonpayment for
36 services by the prior customer. The district may refuse to provide
37 service if the prior nonpaying customer continues to reside in the
38 premises.

1 **Sec. 6.** RCW 80.28.010 and 1995 c 399 s 211 are each amended to
2 read as follows:

3 (1) All charges made, demanded or received by any gas company,
4 electrical company or water company for gas, electricity or water, or
5 for any service rendered or to be rendered in connection therewith,
6 shall be just, fair, reasonable and sufficient. To meet the
7 requirements of this subsection, all charges made for utility services
8 shall be charged to the customer who contracts for the services. In
9 cases where the service contract is with the tenant of a property,
10 collection of charges shall be made from the tenant and liens against
11 the property owner are prohibited.

12 (2) Every gas company, electrical company and water company shall
13 furnish and supply such service, instrumentalities and facilities as
14 shall be safe, adequate and efficient, and in all respects just and
15 reasonable.

16 (3) All rules and regulations issued by any gas company, electrical
17 company or water company, affecting or pertaining to the sale or
18 distribution of its product, shall be just and reasonable.

19 (4) Utility service for residential space heating shall not be
20 terminated between November 15 through March 15 if the customer:

21 (a) Notifies the utility of the inability to pay the bill,
22 including a security deposit. This notice should be provided within
23 five business days of receiving a payment overdue notice unless there
24 are extenuating circumstances. If the customer fails to notify the
25 utility within five business days and service is terminated, the
26 customer can, by paying reconnection charges, if any, and fulfilling
27 the requirements of this section, receive the protections of this
28 chapter;

29 (b) Provides self-certification of household income for the prior
30 twelve months to a grantee of the department of community, trade, and
31 economic development which administers federally funded energy
32 assistance programs. The grantee shall determine that the household
33 income does not exceed the maximum allowed for eligibility under the
34 state's plan for low-income energy assistance under 42 U.S.C. 8624 and
35 shall provide a dollar figure that is seven percent of household
36 income. The grantee may verify information provided in the self-
37 certification;

38 (c) Has applied for home heating assistance from applicable
39 government and private sector organizations and certifies that any

1 assistance received will be applied to the current bill and future
2 utility bills;

3 (d) Has applied for low-income weatherization assistance to the
4 utility or other appropriate agency if such assistance is available for
5 the dwelling;

6 (e) Agrees to a payment plan and agrees to maintain the payment
7 plan. The plan will be designed both to pay the past due bill by the
8 following October 15 and to pay for continued utility service. If the
9 past due bill is not paid by the following October 15, the customer
10 shall not be eligible for protections under this chapter until the past
11 due bill is paid. The plan shall not require monthly payments in
12 excess of seven percent of the customer's monthly income plus one-
13 twelfth of any arrearage accrued from the date application is made and
14 thereafter during November 15 through March 15. A customer may agree
15 to pay a higher percentage during this period, but shall not be in
16 default unless payment during this period is less than seven percent of
17 monthly income plus one-twelfth of any arrearage accrued from the date
18 application is made and thereafter. If assistance payments are
19 received by the customer subsequent to implementation of the plan, the
20 customer shall contact the utility to reformulate the plan; and

21 (f) Agrees to pay the moneys owed even if he or she moves.

22 (5) The utility shall:

23 (a) Include in any notice that an account is delinquent and that
24 service may be subject to termination, a description of the customer's
25 duties in this section;

26 (b) Assist the customer in fulfilling the requirements under this
27 section;

28 (c) Be authorized to transfer an account to a new residence when a
29 customer who has established a plan under this section moves from one
30 residence to another within the same utility service area;

31 (d) Be permitted to disconnect service if the customer fails to
32 honor the payment program. Utilities may continue to disconnect
33 service for those practices authorized by law other than for nonpayment
34 as provided for in this subsection. Customers who qualify for payment
35 plans under this section who default on their payment plans and are
36 disconnected can be reconnected and maintain the protections afforded
37 under this chapter by paying reconnection charges, if any, and by
38 paying all amounts that would have been due and owing under the terms

1 of the applicable payment plan, absent default, on the date on which
2 service is reconnected; and

3 (e) Advise the customer in writing at the time it disconnects
4 service that it will restore service if the customer contacts the
5 utility and fulfills the other requirements of this section.

6 (6) A payment plan implemented under this section (~~(is)~~) shall be
7 consistent with RCW 80.28.080.

8 (7) Every gas company and electrical company shall offer
9 residential customers the option of a budget billing or equal payment
10 plan. The budget billing or equal payment plan shall be offered low-
11 income customers eligible under the state's plan for low-income energy
12 assistance prepared in accordance with 42 U.S.C. 8624(C)(1) without
13 limiting availability to certain months of the year, without regard to
14 the length of time the customer has occupied the premises, and without
15 regard to whether the customer is the tenant or owner of the premises
16 occupied.

17 (8) A gas company, electric company, or water company may not
18 refuse to provide service to a residential customer who is a tenant
19 based on the nonpayment for services by the prior customer. The
20 company may refuse to provide service if the prior nonpaying customer
21 continues to reside in the premises.

22 (9) Every gas company, electrical company and water company shall
23 construct and maintain such facilities in connection with the
24 manufacture and distribution of its product as will be efficient and
25 safe to its employees and the public.

26 (~~(9)~~) (10) An agreement between the customer and the utility,
27 whether oral or written, shall not waive the protections afforded under
28 this chapter.

29 (~~(10)~~) (11) In establishing rates or charges for water service,
30 water companies as defined in RCW 80.04.010 may consider the
31 achievement of water conservation goals and the discouragement of
32 wasteful water use practices.

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