

HOUSE BILL ANALYSIS

HB 1347

Title: *An act relating to payment responsibility for utility service.*

Brief Description: *Requiring the repayment of delinquent utility charges by the tenant who contracted for the services.*

Sponsors: *Representatives Crouse, Carrell, Smith, Sheldon, Sterk, Sheahan, D. Sommers, Mulliken, Mielke, Sherstad and Dunn.*

HOUSE COMMITTEE ON ENERGY & UTILITIES

Meeting Date: *February 5, 1997.*

Bill Analysis Prepared by: *Margaret Allen (786-7110).*

Background: Utility services provided by municipalities, counties, and some special districts of the state generally are considered to be services to the property rather than to the specific individual contracting for those services. Utilities operated by these local governmental entities are authorized to place liens for charges due, but unpaid, against the premises to which utility services are provided. Different utilities have different lien provisions. The differences involve the method of enforcing the lien, the length of time for which unpaid charges may be subject to a lien, the priority status of the lien, and how the lien is perfected. Examples of these liens are those for county sewer, water, and storm water services, and municipal garbage, water, sewer, and electric light or power services.

Instead of, or in addition to, exercising their lien authority, some public utilities have refused to serve new tenants in rental property when the utility bills of prior tenants remain unpaid. Thus, a landlord wishing to rent the property to a new tenant may be required to pay the prior tenant's unpaid utility bill before again renting the property.

Investor-owned utilities are required to levy charges for services that are just, fair, reasonable, and sufficient.— Investor-owned utilities have no general lien authority, and may not refuse to serve a new tenant based on a prior tenant's failure to pay utility charges.

Summary of Bill: Cities and towns that provide water, sewer, or electricity services, and counties that provide sewer or water services, must collect charges from the customer who contracts for the services, and may not place liens against the property owner. Cities, towns, and counties may not refuse to provide service to residential

tenants based on a prior customer's failure to pay for utility services, unless the nonpaying customer still resides in the premises.

Districts that provide water, sewer, or drainage services must collect charges from the customer who contracts for the services, and may not place liens against the property owner. Districts may not refuse to provide service to residential tenants based on a prior customer's failure to pay for utility services, unless the nonpaying customer still resides in the premises.

For their charges to be just, fair, reasonable, and sufficient, investor-owned utilities providing gas, electricity, or water services must collect the charges from the customer who contracts for the services. If the service contract is with the tenant, the utility may collect those charges only from the tenant and may not place liens against the property owner. Investor-owned utilities may not refuse to provide service to residential tenants based on a prior customer's failure to pay for utility services, unless the nonpaying customer still resides in the premises.

Appropriation: *None.*

Fiscal Note: *Available.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*