
Civil Rights & Judiciary Committee

HB 1705

Brief Description: Charging an owner or placing a lien against the owner's property for utility services provided and billed to a tenant.

Sponsors: Representatives Dufault, Springer, Dent, Eslick, Santos, Reeves, Barkis, Goodman, Valdez, Irwin, Harris, Steele, Griffey, Kraft, Peterson, Pollet, Senn, Orwall, Entenman, Chandler, Gildon, Lovick, Sells, Paul, Van Werven, Corry, Jinkins, Leavitt and Frame.

Brief Summary of Bill

- Prohibits a municipal utility provider from collecting delinquent charges from a rental property owner or placing a lien on a property due to a tenant's delinquent account when the utility account is in the tenant's name.
- Removes landlord notification requirements to municipal utility providers when a rental agreement has been terminated.
- Removes provisions requiring a municipal utility provider to provide utility services to a tenant on the same terms and conditions as other utility customers, regardless of a rental property owner or former tenant's delinquency.
- Repeals provisions authorizing a municipal utility provider to place a lien on a residential rental property for charges due but not paid.

Hearing Date: 2/6/19

Staff: Ingrid Lewis (786-7289).

Background:

Municipal utility companies are operated by cities and towns and include garbage, water, sewer, and electric light and power services. Municipal utility providers are authorized to place a lien for charges due but not paid against a property to which utilities are provided. A property owner is responsible for utility charges even if the utility account is in another person's name, such as a tenant.

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.

A utility account may be opened under a rental property owner or tenant's name. A rental property owner may request to be notified in the event of a tenant's delinquency, and a municipal utility provider is required to notify the rental property owner and the tenant of the delinquency concurrently. If a request for notification has been properly made, municipal electric light and power utilities may only collect delinquent charges from a rental property owner for up to four months of charges. If a municipal utility provider fails to notify a rental property owner of a tenant's delinquent charges, the provider has no lien on the property and is prohibited from collecting delinquent charges for electric light or power services from the rental property owner.

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

With certain exceptions, if requested, a municipal utility provider must provide water and electric light and power services to an affected tenant on the same terms and conditions as other utility customers, without requiring that the tenant pay delinquent amounts for services billed directly to the rental property owner or previous tenant. In these cases, the tenant may deduct from the rent due all reasonable charges paid by the tenant to the municipal utility provider for such services, and a rental property owner may not take reprisals or retaliatory action against a tenant who deducts from their rent payments for these purposes. A municipal utility provider retains the right to collect any delinquent amounts due for services previously provided from the rental property owner, previous tenant, or both.

Sale of a Property.

When a property is being sold, a lien must be satisfied or paid as a part of the sale process.

Summary of Bill:

A municipal utility provider may only collect payment on delinquent charges from the customer listed on the utility account. A municipal utility provider is prohibited from collecting delinquent charges from a rental property owner or placing a lien on a property due to a tenant's delinquent account when the utility account is in the tenant's name.

Provisions related to a rental property owner's responsibility to notify a municipal utility provider of the termination of a rental agreement and vacation of the premise are removed. Provisions requiring a municipal utility provider to provide water and electric light and power services to an affected tenant on the same terms and conditions as other utility customers, regardless of a rental property owner or former tenant's delinquency, are removed.

Sale of a Property.

Unless a purchaser and seller otherwise agree in writing, a seller is not responsible for a municipal utility's water and electric light or power lien on a property.

Provisions authorizing a public utility provider to place a lien on a property for charges due but not paid are repealed.

Appropriation: None.

Fiscal Note: Requested on January 30, 2019.

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