

**SENATE BILL REPORT**

**SB 5771**

**AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, FEBRUARY 4, 1992**

**Brief Description:** Encouraging customers to pay the full amount owed for utility services.

**SPONSORS:** Senators Barr, Sutherland, Nelson and Thorsness.

**SENATE COMMITTEE ON ENERGY & UTILITIES**

**Majority Report:** That Substitute Senate Bill No. 5771 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thorsness, Chairman; Saling, Vice Chairman; Jesernig, Nelson, Roach, Stratton, Sutherland, and Williams.

**Staff:** Andrew Scott (786-7198)

**Hearing Dates:** February 28, 1991; January 31, 1992; February 4, 1992

**BACKGROUND:**

Municipal utilities may place a lien against the property of a landlord if the tenant fails to pay for services rendered. A municipal utility may refuse to provide services to a residential customer who is a tenant based upon the nonpayment for services by a prior tenant.

Several municipal utilities have enacted ordinances requiring that a specific utility service billing is placed in the name of the person owning the property.

**SUMMARY:**

Municipal electric or water utility services are required to be charged to the person receiving the service. Liens against the property of a landlord are prohibited for the failure of a tenant to pay for services. Municipal utilities are prohibited from refusing to provide utility service to a residential customer who is a tenant based upon the nonpayment for services by the prior customer. The utility may refuse to provide the service if the prior nonpaying customer continues to reside in the premises.

Municipal utilities are to adopt ordinances requiring new customers to have a satisfactory credit resource or to make a deposit for utility service. Municipal utilities are also required to adopt ordinances outlining a schedule for utility service termination in the event of outstanding service payments.

**EFFECT OF PROPOSED SUBSTITUTE:**

It is clarified that this measure does not affect the winter heat shutoff moratorium program. The scope of this bill is expanded to include commercial tenants.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested January 30, 1992

**TESTIMONY FOR:**

This bill will relieve property owners from the unfair burden of having to pay tenants' delinquent utility bills, and will prohibit municipal utilities from denying a commercial or residential tenant utility service based on a previous tenant's unpaid utility bills.

**TESTIMONY AGAINST:**

This bill will place a severe administrative burden on municipal utilities, could cause a significant loss of revenues, and is unnecessary given current safeguards and practices.

**TESTIFIED:** Patricia Colson, Seattle Water Department (con); James Sinding, Tacoma Public Utilities (con); Gerald Phillips, AASK (pro); Bill Brumfield (pro); Mark Barbieri, Building Owners and Managers Association (pro); Paul McWerther, Washington Mobile Park Owners Association (pro); Dan Vanderkolk, Southwest Washington Renters Association (pro); Kevin McCathren, Kiemle and Hegood Company (pro); Gayla Gjertsen, City of Tumwater (con); Len Sanderson, Mayor, City of Milton (con)