

HOUSE BILL REPORT

EHB 1717

As Passed House:

March 13, 2003

Title: An act relating to separate billing of tenants for water and wastewater services by a landlord.

Brief Description: Authorizing separate billing of tenants for water and wastewater services.

Sponsors: By Representatives Cody and Campbell.

Brief History:

Committee Activity:

Judiciary: 2/18/03, 2/25/03 [DP].

Floor Activity:

Passed House: 3/13/03, 53-42.

Brief Summary of Engrossed Bill

· Requires landlords who wish to bill tenants separately for water or wastewater services to comply with certain notice and other requirements.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 7 members: Representatives Lantz, Chair; Moeller, Vice Chair; Campbell, Flannigan, Kirby, Lovick and Newhouse.

Minority Report: Do not pass. Signed by 2 members: Representatives Carrell, Ranking Minority Member; and McMahan, Assistant Ranking Minority Member.

Staff: Edie Adams (786-7180).

Background:

The Residential Landlord-Tenant Act (RLTA) regulates the relationship between tenants and landlords. The RLTA provides notice requirements, specifies the rights of both landlords and tenants, imposes duties on both landlords and tenants, and provides remedies for violations of the act.

The RLTA provides requirements with respect to the availability of water services in the premises. The RLTA does not deal with the method for billing tenants for water and wastewater services. In practice, there are three ways that a landlord may charge for water and wastewater services. The charges may be included in the monthly rent. Tenants who have an individual meter in their units may be billed separately for their actual water use. Finally, the tenant may be billed separately for water, either by the landlord or a third party billing company, through some method of allocating the total charges among all tenants or units within the building.

Summary of Engrossed Bill:

A landlord who charges tenants separately for water or wastewater services must use one of the following ratio utility billing system methods: per tenant; proportionately by liveable square footage; per type of unit; per number of water fixtures; or any other fair allocation method.

The total charges to a tenant in a building may not exceed the total charges paid by the landlord plus an administrative fee for actual costs incurred by the landlord. A landlord must give 90 days prior notice before instituting separate billing of water or wastewater services in existing tenancies.

The rental agreement must contain a disclosure, initialed by the tenant, that notifies the tenant that water and wastewater services are billed separately. The disclosure must also inform the tenant of the method used for allocating the charges among the tenants, the administrative fee charged for separate billing, and of the tenant's right to records of water and wastewater charges.

Upon request of a tenant the landlord must provide a copy of the actual utility bill for the building along with each apportioned bill and any past utility bills for any period of tenancy for which the tenant received an apportioned bill. Past bills must be provided for the preceding two years or from the time the landlord acquired the building, whichever is most recent.

Two remedies are provided to a tenant if a landlord fails to comply with the provisions of the act. First, the tenant may terminate the rental agreement after providing notice and an opportunity for the landlord to comply within a reasonable time. Second, the tenant may bring a civil action against the landlord for actual damages, attorneys' fees, and a penalty of \$100, or a penalty of \$200 if the landlord's noncompliance was deliberate

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: Tenants have had bad experiences with separate billing practices by landlords who charge separately for water. The bill addresses this problem by providing a process for how to fairly define and determine allocation of water charges among tenants. It will provide a more equitable situation for tenants and help landlords as well by establishing a predictable framework for dealing with the allocation issues.

Testimony Against: None.

Testified: Representative Cody, prime sponsor; John Woodring, Rental Housing Association; and Bob Mitchell, Washington Commercial Association of Realtors, Washington Apartment Association, and Institute of Real Estate Management.