

2 **SSB 5016** - H COMM AMD  
3 By Committee on Energy & Utilities

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 35.21 RCW  
8 to read as follows:

9 (1) For residential premises only, the property of a landlord is  
10 not subject to a lien under RCW 35.21.290, 35.67.200, or 36.94.150 if,  
11 prior to the commencement of a rental agreement between a landlord and  
12 a tenant in which the tenant is responsible under the agreement for the  
13 payment of utility charges, the landlord notifies the affected utility  
14 in writing of the tenants' responsibility for such charges and provides  
15 such information as reasonably required by the utility. For this  
16 section to be in effect the landlord must also notify the utility in  
17 writing of the termination of the rental agreement prior to such  
18 termination, or upon the tenant's vacating the property, whichever  
19 occurs first.

20 (2) The provisions of this section only apply to utilities that  
21 operate a residential security deposit system. A "residential security  
22 deposit system" means a uniform system of screening customers, or a  
23 class of customers of which the tenant in question is a member, and  
24 setting and collecting deposit requirements based upon such screening.

25 **Sec. 2.** RCW 35.21.290 and 1965 c 7 s 35.21.290 are each amended to  
26 read as follows:

27 (1) Cities and towns owning their own waterworks, or electric light  
28 or power plants shall have a lien against the premises to which water,  
29 electric light, or power services were furnished for four months  
30 charges therefor due or to become due, but not for any charges more  
31 than four months past due: PROVIDED, That the owner of the premises or  
32 the owner of a delinquent mortgage thereon may give written notice to  
33 the superintendent or other head of such works or plant to cut off  
34 service to such premises accompanied by payment or tender of payment of  
35 the then delinquent and unpaid charges for such service against the

1 premises together with the cut-off charge, whereupon the city or town  
2 shall have no lien against the premises for charges for such service  
3 thereafter furnished, nor shall the owner of the premises or the owner  
4 of a delinquent mortgage thereon be held for the payment thereof.

5 (2) A city or town electric or water utility shall furnish  
6 information relating to a customer's current billing status and payment  
7 history with the utility for the preceding twelve-month period,  
8 including any unpaid delinquencies to the customer within seven working  
9 days of receipt of the request from the customer. The utility may  
10 verify, upon request of a landlord, any utility information supplied by  
11 a prospective tenant to the landlord. The utility may in addition  
12 furnish the information to other public or private utilities or a  
13 utility information network, provided that the customer is timely  
14 mailed a copy of the information furnished and advised of the  
15 opportunity to dispute any of the information furnished by filing  
16 written objections with the utility. If objections are filed, the  
17 utility shall promptly investigate the objections and notify the  
18 utility or information network to whom the information was furnished if  
19 corrections are required. The utility may charge the customer who  
20 requests a current billing status, including any unpaid delinquencies  
21 a reasonable fee for providing the information but may at its  
22 discretion waive the fee. For the purposes of this section, the term  
23 "customer" shall include the owner of the property served if the owner  
24 would be held responsible for outstanding charges not paid by the  
25 person named in the utility account. Credit information and reports  
26 must be compiled, recorded, kept, and disseminated in accordance with  
27 chapter 19.182 RCW.

28 (3) A city or town furnishing service to a premises in the name of  
29 a tenant shall provide the tenant and landlord, if the latter so  
30 requests, a copy of unpaid delinquency notices and the final closing  
31 bill for the service. The request by a landlord must be in writing and  
32 shall remain effective until the utility is otherwise notified by the  
33 landlord. It is the responsibility of the landlord to notify the  
34 utility of a change of address. The utility shall provide a copy of  
35 the final closing bill within seven working days of the date of  
36 termination of the account or within seven working days of a landlord's  
37 request, if the request is made subsequent to termination of the  
38 account. Copies of the billing may be sent by mail or a more  
39 expeditious means to the last known address of the tenant or landlord.

1       (4) If a former customer has an outstanding utility charge from a  
2 prior account and subsequently applies to open or opens a new account  
3 with the utility, the utility may require payment of the outstanding  
4 charge prior to opening the account or may transfer the outstanding  
5 charge to the customer's new account. If a new account is opened and  
6 the outstanding charge or current service charges are not timely paid,  
7 the utility may exercise the authority it has to disconnect service as  
8 if the outstanding charge had been incurred on the new account. This  
9 section does not limit the former customer's right to contest whether  
10 the outstanding charges are lawfully owed and shall not be construed to  
11 transfer the prior obligations of the former customer to the owner of  
12 property subsequently rented by the former customer. This section does  
13 not apply to low-income customers. Low-income customers may be defined  
14 by the city or town or, if not, are households which have a total  
15 income below eighty percent of the median household income in the  
16 county or standard metropolitan statistical area where the household is  
17 located, whichever is greater.

18       (5) For residential property only, if a landlord establishes that  
19 a utility has not made a good faith effort to provide the information  
20 or notices requested by the landlord under subsections (2) and (3) of  
21 this section, then any lien imposed on that premises under subsection  
22 (1) of this section for charges assessed to the existing tenant during  
23 the time of noncompliance shall be dissolved. If the landlord becomes  
24 aware that information or a notice was not sent, the period of  
25 noncompliance shall not run longer than seven days after the landlord  
26 becomes so aware, unless the landlord notifies the utility within that  
27 period that the information or notice was not sent. "Good faith  
28 effort" may be established by record of electronic notation or any  
29 other reasonable evidence of efforts to comply.

30       (6) Liens created in this section are subject to section 1 of this  
31 act.

32       **Sec. 3.** RCW 35.67.200 and 1991 c 36 s 2 are each amended to read  
33 as follows:

34       (1) Cities and towns owning their own sewer systems shall have a  
35 lien for delinquent and unpaid rates and charges for sewer service,  
36 penalties levied pursuant to RCW 35.67.190, and connection charges,  
37 including interest thereon, against the premises to which such service  
38 has been furnished or is available, which lien shall be superior to all

1 other liens and encumbrances except general taxes and local and special  
2 assessments. The city or town by ordinance may provide that delinquent  
3 charges shall bear interest at not exceeding eight percent per annum  
4 computed on a monthly basis: PROVIDED, That a city or town using the  
5 property tax system for utility billing may, by resolution or  
6 ordinance, adopt the alternative lien procedure as set forth in RCW  
7 35.67.215.

8 (2) Cities and towns shall furnish information relating to a  
9 customer's current billing status and payment history with utility for  
10 the preceding twelve-month period, including any unpaid delinquencies  
11 to the customer within seven working days of receipt of the request  
12 from the customer. The utility may verify, upon request of a landlord,  
13 any utility information supplied by a prospective tenant to the  
14 landlord. Cities and towns may in addition furnish the information to  
15 public or private utilities or a utility information network, provided  
16 that the customer is timely mailed a copy of the information furnished  
17 and advised of the opportunity to dispute any of the information  
18 furnished by filing written objections with the city or town. If  
19 objections are filed, the city or town shall promptly investigate the  
20 objections and notify the utility or information network to whom the  
21 information was furnished if corrections are required. The city or  
22 town may charge the customer who requests a current billing status,  
23 including any unpaid delinquencies a reasonable fee for providing such  
24 information but may at its discretion waive the fee. For the purposes  
25 of this section, the term "customer" shall include the owner of the  
26 property served if the owner would be held responsible for outstanding  
27 charges not paid by the person named in the utility account. Credit  
28 information and reports must be compiled, recorded, kept, and  
29 disseminated in accordance with chapter 19.182 RCW.

30 (3) A city or town furnishing service to a premises in the name of  
31 a tenant shall provide the tenant and landlord, if the latter so  
32 requests, a copy of unpaid delinquency notices and the final closing  
33 bill for the service. The request by a landlord must be in writing and  
34 shall remain effective until the city or town is otherwise notified by  
35 the landlord. It is the responsibility of the landlord to notify the  
36 city or town of a change of address. The city or town shall provide a  
37 copy of the final closing bill within seven working days of the date of  
38 termination of the account or within seven working days of a landlord's  
39 request, if the request is made subsequent to termination of the

1 account. Copies of the billing may be sent by mail or a more  
2 expeditious means to the last known address of the tenant or landlord.

3 (4) If a former customer has an outstanding utility charge from a  
4 prior account and subsequently applies to open or opens a new account  
5 with the utility, the utility may require payment of the outstanding  
6 charge prior to opening the account or may transfer the outstanding  
7 charge to the customer's new account. If a new account is opened and  
8 the outstanding charge or current service charges are not timely paid,  
9 the utility may exercise the authority it has as if the outstanding  
10 charge had been incurred on the new account. This section does not  
11 limit the former customer's right to contest whether the outstanding  
12 charges are lawfully owed and shall not be construed to transfer the  
13 prior obligations of the former customer to the owner of property  
14 subsequently rented by the former customer. This section does not  
15 apply to low-income customers. Low-income customers may be defined by  
16 the city or town or, if not, are households which have a total income  
17 below eighty percent of the median household income in the county or  
18 standard metropolitan statistical area where the household is located,  
19 whichever is greater.

20 (5) For residential property only, if a landlord establishes that  
21 a utility has not made a good faith effort to provide the information  
22 or notices requested by the landlord under subsections (2) and (3) of  
23 this section, then any lien imposed on that premises under subsection  
24 (1) of this section for charges assessed to the existing tenant during  
25 the time of noncompliance shall be dissolved. If the landlord becomes  
26 aware that information or a notice was not sent, the period of  
27 noncompliance shall not run longer than seven days after the landlord  
28 becomes so aware, unless the landlord notifies the utility within that  
29 period that the information or notice was not sent. "Good faith  
30 effort" may be established by record of electronic notation or any  
31 other reasonable evidence of efforts to comply.

32 (6) Liens created in this section are subject to section 1 of this  
33 act.

34 **Sec. 4.** RCW 36.94.150 and 1975 1st ex.s. c 188 s 3 are each  
35 amended to read as follows:

36 (1) All counties operating a system of sewerage and/or water shall  
37 have a lien for delinquent connection charges and charges for the  
38 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 (2) Counties shall furnish information relating to a customer's  
19 current billing status and payment history with the utility for the  
20 preceding twelve-month period, including any unpaid delinquencies to  
21 the customer within seven working days of receipt of the request from  
22 the customer. The utility may verify, upon request of a landlord, any  
23 utility information supplied by a prospective tenant to the landlord.  
24 Counties may in addition furnish the information to public or private  
25 utilities or a utility information network, provided that the customer  
26 is timely mailed a copy of the information furnished and advised of the  
27 opportunity to dispute the information furnished by filing written  
28 objections with the county. If objections are filed, the county shall  
29 promptly investigate the objections and notify the utility or  
30 information network to whom the information was furnished if  
31 corrections are required. The county may charge the customer who  
32 requests a current billing status, including any unpaid delinquencies  
33 a reasonable fee for providing the information but may at its  
34 discretion waive the fee. For the purposes of this section, the term  
35 "customer" shall include the owner of the property served if the owner  
36 would be held responsible for outstanding charges not paid by the  
37 person named in the utility account. Credit information and reports  
38 must be compiled, recorded, kept, and disseminated in accordance with  
39 chapter 19.182 RCW.

1       (3) Counties furnishing service to a premises in the name of a  
2 tenant shall provide the tenant and landlord, if the latter so  
3 requests, a copy of unpaid delinquency notices and the final closing  
4 bill for the service. The request by a landlord must be in writing and  
5 shall remain effective until the county is otherwise notified by the  
6 landlord. It is the responsibility of the landlord to notify the  
7 county of a change of address. The county shall provide a copy of the  
8 final closing bill within seven working days of the date of termination  
9 of the account or within seven working days of a landlord's request, if  
10 the request is made subsequent to termination of the account. Copies  
11 of the billing may be sent by mail or a more expeditious means to the  
12 last known address of the tenant or landlord.

13       (4) If a former customer has an outstanding utility charge from a  
14 prior account and subsequently applies to open or opens a new account  
15 with the county, the county may require payment of the outstanding  
16 charge prior to opening the account or may transfer the outstanding  
17 charge to the customer's new account. If a new account is opened and  
18 the outstanding charge or current service charges are not timely paid,  
19 the county may exercise the authority it has to disconnect water  
20 service as if the outstanding charge had been incurred on the new  
21 account. This section does not limit the former customer's right to  
22 contest whether the outstanding charges are lawfully owed and shall not  
23 be construed to transfer the prior obligations of the former customer  
24 to the owner of property subsequently rented by the former customer.  
25 This section does not apply to low-income customers. Low-income  
26 customers may be defined by the city or town or, if not, are households  
27 which have a total income below eighty percent of the median household  
28 income in the county or standard metropolitan statistical area where  
29 the household is located, whichever is greater.

30       (5) For residential property only, if a landlord establishes that  
31 a utility has not made a good faith effort to provide the information  
32 or notices requested by the landlord under subsections (2) and (3) of  
33 this section, then any lien imposed on that premises under subsection  
34 (1) of this section for charges assessed to the existing tenant during  
35 the time of noncompliance shall be dissolved. If the landlord becomes  
36 aware that information or a notice was not sent, the period of  
37 noncompliance shall not run longer than seven days after the landlord  
38 becomes so aware, unless the landlord notifies the utility within that  
39 period that the information or notice was not sent. "Good faith

1 effort" may be established by record of electronic notation or any  
2 other reasonable evidence of efforts to comply.

3 (6) Liens created in this section are subject to section 1 of this  
4 act.

5 NEW SECTION. Sec. 5. Sewer districts, established under Title 56  
6 RCW, and water districts, established under Title 57 RCW, shall review  
7 customer billing information, and information sharing with landlords  
8 and other utilities, and other means of addressing delinquent payments  
9 by customers and report to the energy and utilities committees of the  
10 senate and house of representatives with recommendations by October 1,  
11 1994.

12 NEW SECTION. Sec. 6. A new section is added to chapter 35.21 RCW  
13 to read as follows:

14 After the effective date of this section and except for charges to  
15 residential premises not subject to a shutoff lien pursuant to section  
16 1 of this act, all unpaid charges at the time of real property sale for  
17 water, storm water, sewer, garbage, electricity, and natural gas  
18 furnished to that real property owed to a city, town, or county  
19 together with interest on the charges at the legal rate, are declared  
20 to be a lien for which no filing is required on the real property to  
21 which the services were furnished. The lien created by this section  
22 shall be in addition to any other lien provided by law and shall be  
23 satisfied after all other liens to which the real property is subject;  
24 however, the lien shall not affect the priority or validity of other  
25 liens against the real property for the utility services authorized  
26 under this section. A lien established under this section may be  
27 foreclosed by a civil action in the superior court of the county where  
28 the property is located, but only after a fee interest is conveyed for  
29 the real property. Unless otherwise stated in writing and separately  
30 acknowledged in writing by the purchaser of a fee interest in the real  
31 property, it is the responsibility of the seller of the fee interest to  
32 satisfy upon closing the lien created by this section. No person  
33 serving as an escrow agent, as defined in RCW 18.44.010(4), including  
34 persons authorized in RCW 18.44.020 to act without a certificate of  
35 registration, may refuse a request by the seller of a fee interest or  
36 purchaser of a fee interest to administer the disbursement of closing  
37 funds necessary to satisfy a lien under this section. If an escrow



1 agent, as specified above, handles the sale, the escrow agent shall  
2 timely request a final billing under section 7 of this act from all  
3 affected utilities, and inform the seller and the purchaser of all  
4 amounts for final estimated billings furnished by those utilities prior  
5 to closing. Final billing shall include all outstanding charges.  
6 "Charges" as used in this section includes all lawful charges assessed  
7 by the utility, including but not limited to consumption charges,  
8 connection charges, contributions provided for by state law, charges  
9 for meters and other equipment provided to the customer, and charges in  
10 connection with repair, replacement, or location of customer  
11 facilities.

12 NEW SECTION. **Sec. 7.** A new section is added to chapter 35.21 RCW  
13 to read as follows:

14 (1) Upon request for a final billing with respect to real property  
15 that is to be sold, a utility operated by a city, town, or county that  
16 provides water, storm water, sewer, garbage, electricity, or natural  
17 gas service to the property shall provide the owner of the property or  
18 the closing agent for the sale with an estimated final billing under  
19 the conditions set forth in this section.

20 (2) If the request for an estimated final billing is received by  
21 the billing office of the utility no less than seven working days  
22 before the closing date stated in the request, the utility shall  
23 provide the estimated final billing no less than one day before the  
24 stated closing date. However, if the request is received less than  
25 seven working days before the stated closing date, the utility shall  
26 make reasonable efforts to provide the estimated final billing prior to  
27 the stated closing date.

28 (3) The estimated final billing shall, in addition to stating the  
29 estimated final amount owing as of the date of the stated closing,  
30 state the average per diem rate for the utility or utilities involved,  
31 including taxes and other charges, which shall be applied for up to  
32 seven days beyond the stated date of closing in the event that the  
33 closing date is delayed. If closing is delayed beyond seven days, a  
34 new estimated final billing must be requested. In lieu of furnishing  
35 a revised billing, the utility may extend the number of days for which  
36 the per diem charge may be used.

37 (4) If the utility fails to timely provide the estimated final  
38 billing in response to a request made no less than seven working days

1 before the stated closing date, the utility shall forfeit the right it  
2 may have to collect from the purchaser outstanding utility charges of  
3 the former owner that were incurred before the stated closing date.

4 (5) If closing occurs no later than the last date for which per  
5 diem charges may be applied, full payment of the amount plus per diem  
6 charges, shall extinguish the lien of the utility provided under  
7 section 6 of this act for charges incurred prior to the date of  
8 closing.

9 (6) This section does not in any manner limit the right of a  
10 utility to obtain recovery from the former owner of the property for  
11 outstanding charges that are in excess of the estimated final billing.  
12 However, if the estimated final billing is in excess of the amount owed  
13 as determined by an actual meter reading, the utility shall refund the  
14 amount to the former owner within seven working days of the actual  
15 reading by sending the refund in the owner's name to the last address  
16 given by the former owner.

17 (7) For the purposes of this section, a "working day" is considered  
18 to be a day that the utility in question is open for business.

19 NEW SECTION. **Sec. 8.** This act shall take effect June 1, 1995.

20 NEW SECTION. **Sec. 9.** Utilities are encouraged to implement this  
21 act before June 1, 1995."

--- END ---