

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1326

53rd Legislature
1993 Regular Session

Passed by the House April 19, 1993
Yeas 95 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate April 12, 1993
Yeas 46 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1326** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1326

AS AMENDED BY THE SENATE

Passed Legislature - 1993 Regular Session

State of Washington 53rd Legislature 1993 Regular Session

By House Committee on Energy & Utilities (originally sponsored by Representatives Finkbeiner, Grant, Miller, Casada, R. Meyers, Ludwig, Heavey, Long and Johanson)

Read first time 02/22/93.

1 AN ACT Relating to conservation tariffs allowing transfer of
2 payment obligations to successive property owners; adding a new section
3 to chapter 80.28 RCW; adding a new section to chapter 64.04 RCW; adding
4 a new section to chapter 48.29 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) The ability of utilities to acquire cost effective conservation
8 measures is instrumental in assuring that Washington citizens have
9 reasonable energy rates and that utilities have adequate energy
10 resources to meet future energy demands;

11 (b) Customers may be more willing to accept investments in energy
12 efficiency and conservation if real and perceived impediments to
13 property transactions are avoided;

14 (c) Potential purchasers of real property should be notified of any
15 utility conservation charges at the earliest point possible in the
16 sale.

17 (2) It is the intent of the legislature to encourage utilities to
18 develop innovative approaches designed to promote energy efficiency and
19 conservation that have limited rate impacts on utility customers. It

1 is not the intent of the legislature to restrict the authority of the
2 utilities and transportation commission to approve tariff schedules.

3 (3) It is also the intent of the legislature that utilities which
4 establish conservation tariffs should undertake measures to assure that
5 potential purchasers of property are aware of the existence of any
6 conservation tariffs. Measures that may be considered include, but are
7 not limited to:

8 (a) Recording a notice of a conservation tariff payment obligation,
9 containing a legal description, with the county property records;

10 (b) Annually notifying customers who have entered agreements of the
11 conservation tariff obligation;

12 (c) Working with the real estate industry to provide for disclosure
13 of conservation tariff obligations in standardized listing agreements
14 and earnest money agreements; and

15 (d) Working with title insurers to provide recorded conservation
16 tariff obligations as an informational note to the preliminary
17 commitment for policy of title insurance.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28 RCW
19 to read as follows:

20 (1) Upon request by an electrical or gas company, the commission
21 may approve a tariff schedule that contains rates or charges for energy
22 conservation measures, services, or payments provided to individual
23 property owners or customers. The tariff schedule shall require the
24 electrical or gas company to enter into an agreement with the property
25 owner or customer receiving services at the time the conservation
26 measures, services, or payments are initially provided. The tariff
27 schedule may allow for the payment of the rates or charges over a
28 period of time and for the application of the payment obligation to
29 successive property owners or customers at the premises where the
30 conservation measures or services were installed or performed or with
31 respect to which the conservation payments were made.

32 (2) The electrical or gas company shall record a notice of a
33 payment obligation, containing a legal description, resulting from an
34 agreement under this section with the county auditor or recording
35 officer as provided in RCW 65.04.030.

36 (3) The commission may prescribe by rule other methods by which an
37 electrical or gas company shall notify property owners or customers of
38 any such payment obligation.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 64.04 RCW
2 to read as follows:

3 Prior to closing, the seller of real property subject to a rate or
4 charge for energy conservation measures, services, or payments provided
5 under a tariff approved by the utilities and transportation commission
6 pursuant to section 2 of this act shall disclose to the purchaser of
7 the real property the existence of the obligation and the possibility
8 that the purchaser may be responsible for the payment obligation.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.29 RCW
10 to read as follows:

11 The existence of notices of payment obligations in section 2 of
12 this act may be disclosed as an informational note to a preliminary
13 commitment for policy of title insurance. Neither the inclusion nor
14 the exclusion of any such informational note shall create any liability
15 against such title insurer under any preliminary commitment for title
16 insurance, policy or otherwise.

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