

***Technology, Telecommunications  
& Energy Committee***

***HB 1294***

***Brief Description:*** *Requiring that utility service charges of tenants be collected from the tenant.*

***Sponsors:*** *Representatives Benson, Dunn, Mielke, Roach, Anderson and Schoesler.*

***Brief Summary of Bill***

- *Requires that certain public and private utilities collect charges for service from the tenant customer who contracts for the service.*
- *Prohibits liens for tenant charges from being placed against the owner's property.*
- *Prohibits these utilities from refusing service to a tenant based on a payment delinquency of a previous tenant.*

***Hearing Date:*** *2/14/01*

***Staff:*** *Pam Madson (786-7166).*

***Background:***

*Utility services provided by municipalities, counties, and some special districts generally are considered to be services to the property rather than to the specific individual contracting for those services. Utilities operated by these governmental entities are authorized to place liens for charges due, but unpaid, against the premises to which utility services are provided.*

*Different utilities have different lien provisions. The differences involve the method of enforcing the lien, the length of time for which unpaid charges may be subject to a lien, the priority status of the lien, and how the lien is perfected. Examples of these liens are those for county sewer, water and storm water services, municipal garbage, water, sewer, and electric light and power services, and special district services.*

*Investor-owned utilities are required to levy charges for services that are just, fair, reasonable, and sufficient. Investor-owned utilities have no general lien authority, and may not refuse to serve a new tenant based on a prior tenant's failure to pay utility charges.*

***Summary of Bill:***

*Cities and towns that provide water, sewer, or electricity services, and counties that provide sewer or water services, must collect charges from the customer tenant who contracts for the services, and may not place liens against the property owner. Cities, towns, and counties may not refuse to provide service to residential tenants based on a prior customer's failure to pay for the utility services, unless the nonpaying customer still resides in the premises.*

*Water-sewer districts must collect charges from the customer tenant who contracts for the services, and may not place liens against the property owner. Districts may not refuse to provide service to residential tenants based on a prior customer's failure to pay for utility services, unless the nonpaying customer still resides in the premises.*

*For charges to be just, fair, reasonable, and sufficient, investor-owned utilities providing gas, electricity, or water services must collect the charges from the customer who contracts for the services. If the service contract is with the tenant, the utility may collect those charges only from the tenant and may not refuse to provide service to residential tenants based on a prior customer's failure to pay for utility services, unless the nonpaying customer still resides in the premises.*

***Appropriation:*** None.

***Fiscal Note:*** Not Requested.

***Effective Date:*** Ninety days after adjournment of session in which bill is passed.