HOUSE BILL REPORT
HB 2691

As Reported by House Committee On:
Technology, Telecommunications & Energy

Title: An act relating to a property owner's liability for delinquent and unpaid water and electric utility charges.

Brief Description: Reducing a property owner's liability for tenant's delinquent charges.

Sponsors: Representative Crouse.

Brief History:
Committee Activity:
    Technology, Telecommunications & Energy: 1/30/02, 2/5/02 [DPS].

Brief Summary of Substitute Bill

· Limits a property owner's liability to a municipal utility for a tenant's delinquent water or electric service charges.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Morris, Chair; Crouse, Ranking Minority Member; Anderson, Bush, Casada, DeBolt, Delvin, Esser, Lysen, Nixon, Pflug, Sullivan and Wood.

Minority Report: Do not pass. Signed by 6 members: Representatives Ruderman, Vice Chair; Berkey, Hunt, Linville, Reardon and Romero.

Staff: Pam Madson (786-7166); Ken Conte (786-7102).

Background:

Some utilities operated by municipalities are authorized to place liens for charges due but unpaid against the property to which utility services are provided. The lien may be foreclosed through legal proceedings. However, in the case of water and electricity utilities, the lien allows the utility to shut off service after four months delinquency until delinquent charges are paid.

Summary of Substitute Bill:

After January 1, 2003, a municipal utility providing water or electrical service may not collect from the property owner in any manner more than four months of a tenant's unpaid and delinquent utility charges, if the property owner has provided the municipal utility with all required contact information and request for notice of a tenant's delinquency.

In the case of a city or town that bills customers once every two months, the city or town may not collect in any manner from the property owner more that six months of a tenants delinquent and unpaid utility charges.

Substitute Bill Compared to Original Bill:

The substitute bill adds: (1) A provision establishing that in the case of a city or town that bills customers once every two months, the city or town may not collect in any manner from the property owner more than six months delinquent and unpaid utility charges; and (2) a technical change cross-referencing provisions of this bill to an existing section relating to enforcement of utility liens.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: This bill is good public policy. There are logistic problems with utilities that bill on a two-month cycle. Contractual agreement is between tenant and utility company, not us. We would rather not be charged anything at all, but there are limitations and we appreciate that.

(With concerns) A number of cities bill ever two months for utility services, so it would be helpful to them to extend to three billing cycles. Cities are not aware that a tenant has vacated until bills are returned or they receive an address-change. Electric service is more expensive than some other utility services and there is concern about the four-months and working through that process. With electric service there are certain months of the year that service cannot be shut-off if you can work with tenants. There is general concern about collecting on bills because when they are uncollected, they go to the remaining customers to make up.

Testimony Against: None.

Testified: (In support) Representative Crouse, prime sponsor; Bob Mitchell, Washington Association of Realtors; Peggy Ganson, Washington Apartment Association; and Richard Frank, Puget Sound Tech.

(With Concerns) Victoria Lincoln, Association of Washington Cities; and Bob Mack, Representing the cities of Spokane, Tacoma and Bellevue.