

SENATE BILL REPORT

SB 5372

As of February 13, 2003

Title: An act relating to payment responsibility for utility service.

Brief Description: Limiting security deposits for utility service charges.

Sponsors: Senators Swecker and T. Sheldon.

Brief History:

Committee Activity: Natural Resources, Energy & Water: 2/14/03.

SENATE COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER

Staff: Richard Rodger (786-7461)

Background: Utilities operated by municipalities and other political subdivisions of the state are authorized to place liens, for charges due but unpaid, against the property to which utility services are provided. Examples are liens for municipal water, sewer, and electricity services, and for water-sewer district services. These utilities are also authorized to collect security deposits from the property owners.

Utility liens and security deposits are a source of tension between owners of rental property and utilities. Some owners of rental property have been required to pay security deposits on property that is already secured by a utility lien.

Summary of Substitute Bill: Utilities operated by municipalities or political subdivisions of the state may not collect a security deposit from a property owner if the utility has placed a lien against the property for nonpayment of utility charges. These utilities may not place a lien against a property if they collected a security deposit from the property owner.

A utility holding both a lien and a security deposit from the property owner must elect just one method of security and either release the lien or refund the deposit within 30 days of the effective date of the act.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Not requested.

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