

SENATE BILL REPORT

SB 5775

As of February 8, 2019

Title: An act relating to requiring individual metering of households for water and sewer charges based on the actual water use of the household.

Brief Description: Requiring individual metering of households for water and sewer charges based on the actual water use of the household.

Sponsors: Senators Hunt, Rolfes, Hasegawa, Kuderer and Van De Wege.

Brief History:

Committee Activity: Financial Institutions, Economic Development & Trade: 2/07/19.

Brief Summary of Bill

- Requires owners, landlords, and property managers or third-party billing entities of multi-unit buildings to provide submeters to measure water use by unit.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Staff: Kellee Gunn (786-7429)

Background: Residential Landlord-Tenant Act and Manufactured/Mobile Home Landlord-Tenant Act. The Residential Landlord-Tenant Act (RLTA) and the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs and regulates the relationship between landlords and tenants of residential dwelling units or lots for manufactured/mobile homes.

The rental agreements under RLTA and MHLTA must have certain terms and conditions. Each rental agreement under the MHLTA must include a listing of the utilities, services, and facilities available to the tenant during the tenancy and the nature of the fees, if any, that may be charged. Under the MHLTA, the landlord must maintain and protect all utilities provided to the mobile home, manufactured home, or park model in good working condition. Maintenance responsibility shall be determined at that point where the normal home utilities hook-ups connect to those provided by the landlord or utility company. The tenant shall be

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current in rent payment, including all utilities agreed to be paid in the rental agreement before exercising any of the remedies accorded the tenant.

Submetering. Submetering is the implementation of meter systems that allows the operator of a multi-unit property to bill each unit for individual utility usage through the installation of additional meters behind a utility meter. Submetering may be managed by a third-party entity that does not produce electricity, gas, or water, but resells utilities to the customers behind the utility meter. According to the National Council of State Legislatures, as of 2016 there were 22 states, three counties and Washington, D.C. with statutes, regulations, or rulings on utility submetering. In addition, a few states had laws that are specific to water use, rather than electricity. Some local jurisdictions in Washington have enacted ordinances regulating third party billing, including the city of Seattle.

Summary of Bill: Owners, landlords, and property managers of multi-unit buildings, condominium buildings, mobile home parks, manufactured housing communities, and manufactured/mobile home communities, or a third party that charges individual dwelling units or rental units for water and sewer utilities, must provide for submetering or direct metering of each dwelling unit or rental unit of the property. Submetering must be used for measuring the quantity of water used by an occupant, the charge for water and wastewater services, and allocating charge based on use for the unit. A disclosure notice by the landlord to the tenant must be provided in the rental agreement and must include certain information on the submeter, including location and access.

For the purpose of this bill, submetering is the use of a metering device by a landlord, owner, or property manager that measures water supplied to a dwelling unit or rental unit for the purpose of charging separately for water and wastewater usage. Charges for the unit must be based on actual water used. The landlord, owner, or property manager is prohibited from dividing the total utility charges by the number of individual units for the purpose of allocating utility costs. The total charges sent to all units must not exceed the amount charged by the utility for the entire property or community, minus any late fees or other charges that the landlord, owner, or property manager owes to the utility. Other fees and service charges may be authorized as established by the Utilities and Transportation Commission.

Notices of billing must include the contact information for whomever sends the bill to the tenant, the basis of each charge, current and previous meter readings, the bill's due date, any past due dollar amounts, and other information regarding billing inquiries and disputes.

A multi-unit building, for the purpose of requiring submetering, is defined as a building containing two or more dwelling units or rental units, comprising a part of the property.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This legislation is a result of a situation my friend was in. He lives in a mobile home park in Yakima. The mobile home park took the entire utility bill and charged each lot the same amount for water. My friend lives alone and paid the same amount as his neighbors who are a family of six. In this bill, people will pay for the water they use. In situations where the property owner passes on the cost of the utilities to the tenants, there is no transparency. This bill is about fairness.

OTHER: There is a provision in the MHLTA that the cost to the tenant must be the actual cost of utilities. If this bill were to go forward, a per person basis is more equitable than a per unit basis. The language in this bill around actual costs has been litigated. The capital costs of installing meters is high, and would be passed on to tenants unless a utility is willing to share the cost. Conservation is a societal issue.

CON: There are a number of unintended consequences that could take place if this bill were to pass. This may affect affordability and will be passed on to tenants. The UTC overseeing this sounds like a great idea, but adds expense.

Persons Testifying: PRO: Senator Sam Hunt, Prime Sponsor; Xochitl Maykovich, Washington CAN.

CON: Bob Mitchell, Washington REALTORS; Craig Hillis, Manufactured Housing Communities of Washington.

OTHER: Kyle Woodring, Affordable Communities Coalition; Bill Clarke, Washington PUD Association and Pierce Water Cooperative.

Persons Signed In To Testify But Not Testifying: No one.