
**Housing, Human Services & Veterans
Committee**

HB 1421

Brief Description: Concerning a property owner's or tenant's liability for delinquent and unpaid utility service charges.

Sponsors: Representatives Dufault and Barkis.

Brief Summary of Bill

- Prohibits, with limited exception, a city or town from collecting delinquent residential utility charges from a property owner or having a lien on the property if the account was listed in a tenant's name.

Hearing Date: 2/9/21

Staff: Dawn Eychaner (786-7135).

Background:

Cities and towns may operate municipal utilities that provide services such as water, sewer, electricity, and power, among others. Cities and towns have the authority to place a lien against properties to which they provide services if the utility charges are not paid. A lien is a legal claim against the property. When a property is being sold, a lien must be satisfied or paid as part of the transaction.

A property owner is responsible for municipal utility charges, regardless of whether the utility account is in the owner's name or a tenant's name. A property owner may request to be notified by a municipal utility of a tenant's account delinquency. If this request has been made by the property owner, a municipal utility may only collect delinquent charges for electric light or power services from the property owner for up to four months of charges. If the municipal utility

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does not notify the owner of a tenant's delinquent charges, the provider has no lien on the property and is prohibited from collecting these delinquent charges from the property owner.

If the account is in a tenant's name, the property owner must notify the municipal utility provider in writing within 14 days of the rental agreement's termination and the vacation of the premises. If the property owner does not provide this written notice, and if the municipal utility has given the property owner notifications of account delinquencies as requested, the municipal utility is no longer limited to collecting four months of delinquent charges.

Generally, if a multi-unit rental property receives utility service through a single utility account, and the billing address is different than the service address or if the city or town has been informed that a tenant lives at the service address, a municipal utility must provide written notice to the service address of pending disconnection of electric power and light, or water service due to nonpayment at least seven days before disconnection. If requested, the city or town must provide continued electric power and light, or water services to an affected tenant on the same terms and conditions as other residential utility customers, without requiring that the tenant pay delinquent amounts for services billed to the property owner or previous tenant. In these cases, a tenant may deduct from the rent due all reasonable charges paid by the tenant to the municipal utility and the property owner may not take retaliatory action against a tenant who deducts from their rent paid for these purposes. A municipal utility retains the right to collect any delinquent amounts due for services previously provided from the property owner, previous tenant, or both.

Summary of Bill:

When a city or town provides residential utility services to someone other than the property owner, the city or town is prohibited from collecting delinquent utility charges from the owner if the account was listed in a tenant's name. A city or town may only collect past due utility charges from the customer whose name is listed on the utility account.

"Utility or service" is defined to include electricity, natural or liquid propane, gas, oil, water, hot water, heat, sewer service, public services, and garbage collection and disposal.

A property owner is no longer required to notify a municipal utility of the termination of a rental agreement and vacation of a rental premises unless requested to do so by the city or town utility. If requested by the utility, the owner must provide the utility with notice of the tenant's vacation of the premises within 14 days of actual knowledge of the vacation. If this request has been made by the utility and the owner fails to provide notice, the utility may collect from the owner only the delinquent charges that were incurred after the tenant vacated the property.

A city or town may not have a lien against the premises of the property owner for a residential tenant's delinquent and unpaid utility charges when the utility account is in the tenant's name.

A city or town may not refuse to open an account in the name of a residential tenant seeking utility services but may charge a reasonable deposit.

A city or town is prohibited from collecting delinquent utility charges connected to a property from a new residential utility customer. A "new utility customer" does not include a person who lived on the property with the delinquent account holder.

For a multi-unit residence that receives utility service through a single utility account that is pending disconnection due to nonpayment, a municipal utility may, rather than must, provide continued electric power and light, or water services to an affected tenant upon request without requiring that the tenant pay delinquent amounts for services billed to the property owner or previous tenant.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.