

ORDINANCE No. 121320

COUNCIL BILL No. 114691

*me  
2/20/04*

The City of

AN ORDINANCE prohibiting deceptive and fraudulent practices related to third party billing for master metered or other unmetered utility services provided to multi-unit buildings as a whole; and adding a new chapter to Title 7 of the Seattle Municipal Code.

Honorable President:

Your Committee on \_\_\_\_\_

to which was referred the within Council Bill, and report that we have considered the same.

COMPTROLLER FILE No. \_\_\_\_\_

Introduced: <u>SEP 8 - 2003</u>	By: <u>PAGELER and MICASTRO</u>
Referred: <u>SEP 8 - 2003</u>	To: <u>Water &amp; Health Committee</u>
Referred:	To:
Referred:	To:
Reported: <u>11-3-03</u>	Second Reading:
Third Reading: <u>11-3-03</u>	Signed: <u>11-3-03</u>
Presented to Mayor: <u>11-4-03</u>	Approved: <u>11/19/03</u>
Returned to City Clerk: <u>11/19/03</u>	Published: <u>Full 16 pp</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

Pass as amended

Hold 2 weeks for Full

10-27-03 Held

11-3-03 Passed As



ORDINANCE 12/320

1  
2  
3 AN ORDINANCE prohibiting deceptive and fraudulent practices related to third party billing for master  
4 metered or other unmetered utility services provided to multi-unit buildings as a whole; and  
5 adding a new chapter to Title 7 of the Seattle Municipal Code.

6 WHEREAS, many utility services provided to residential multi-unit buildings in the City of Seattle are  
7 billed by the utility on a master metered or unmetered basis, and the landlord or property owner  
8 is responsible for paying the utility for all charges contained in such bills; and

9 WHEREAS, historically, most landlords in the City of Seattle have recouped the amounts they have  
10 paid for such utility services in the monthly rental rates they charge their tenants; and

11 WHEREAS, with increasing frequency, residential landlords and property owners are recouping utility  
12 charges by billing tenants for master metered or unmetered utility services, either themselves or  
13 through a third party agent, instead of including such costs within the monthly rent; and

14 WHEREAS, some of these billing demands on tenants have come without prior notice or agreement and  
15 without explanation of the methods used to allocate the utility bills; and

16 WHEREAS, certain bills for utility services are being sent to tenants by third parties that may be  
17 required to be, but are not, licensed and/or registered to do business in the State of Washington  
18 or the City of Seattle; and

19 WHEREAS, certain bills include unreasonable and unjustified administrative fees and excessive late  
20 fees and penalties, or do not adequately inform tenants of the basis of any fees or penalties  
21 imposed; and

22 WHEREAS, provisions requiring disclosure of significant information concerning billing of master  
23 metered or unmetered utility service would enable tenants to better understand the costs and  
24 allocation methods reflected in the utility bills and would more accurately reflect the actual costs  
of utilities; and

WHEREAS, tenants and occupants of individual units currently have little or no recourse by which they  
can dispute or inquire about bills for master metered or unmetered utility service or can  
challenge billing practices, and are being deprived of the benefit of consumer protection laws;  
and

WHEREAS, the City Council intends to continue monitoring the impacts of billing of master metered or  
unmetered utility service, to consider the requirement of submetering and the banning of RUBS,  
and to review whether the provisions of this ordinance have provided a sufficient degree of  
consumer protection for tenants and reasonable requirements for landlords;



1 NOW, THEREFORE,

2 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

3  
4 Section 1. A new chapter is added to Seattle Municipal Code Title 7 to read as follows:

5 **Chapter 7.25**

6 **THIRD PARTY BILLING REGULATION**

7 **7.25.010 Short title and purpose.**

8 A. This chapter may be known and be cited as "Third Party Billing Regulation." The  
9 general purpose of this chapter is to prevent landlords, either themselves or through a third party billing  
10 agent, from billing tenants for master metered or other unmetered utility services without proper notice  
11 and disclosure of billing practices to tenants, and to protect tenants from deceptive or fraudulent billing  
12 practices, and to these ends the provisions of this chapter shall be liberally construed.

13 B. Nothing in this chapter shall be construed to prevent a landlord from including a tenant's  
14 cost of master metered or other unmetered utility services within the rent set forth in a rental agreement,  
15 and the practice of including such cost within a tenant's rent shall not be considered a billing practice or  
16 methodology affected by the provisions of this chapter.

17 C. Nothing in this chapter shall be construed to affect the practices used by Seattle Public  
18 Utilities or Seattle City Light to bill and collect residential multi-unit building owners or landlords for  
19 master metered or other unmetered utility service.



1           **7.25.020       Definitions.**

2           As used in this chapter:

3           A.       “Billing entity” means the landlord or third party billing agent, as the case may be,  
4 responsible for billing residential multi-unit building tenants for master metered or other unmetered  
5 utility service.

6           B.       “Disclosure” means providing tenants with complete and accurate written information in  
7 a clear, concise, and understandable manner in all notices required under this chapter and on each bill  
8 presented from the billing entity to tenants.

9           C.       “Landlord” means a “landlord” as defined in and within the scope of RCW 59.18.030 and  
10 RCW 59.18.040 of the Residential Landlord Tenant Act of 1973 (“RLTA”) in effect at the time the  
11 rental agreement is executed, and shall also mean the owner of a mobile home park or boat moorage. At  
12 the time of passage of the ordinance codified in this chapter, RLTA defined “landlord” as “the owner,  
13 lessor, or sublessor of the dwelling unit or the property of which it is a part,” and included “any person  
14 designated as representative of the landlord.”

15           D.       “Master metered utility service” means a utility service supplied to more than one (1) unit  
16 in a multi-unit building and measured through a single inclusive metering system.

17           E.       “Methodology” refers to any method, technique, or criterion used to apportion to tenants  
18 charges billed to the landlord by the utility for master metered utility service or unmetered utility  
19 service, including but not limited to Ratio Utility Billing Systems, installation of submetering, and hot  
20 water metering.

21           F.       “Multi-unit building” refers to a residential building or group of buildings (which may  
22 include a mobile home park or boat moorage) with 3 or more tenant units with a master metered utility  
23  
24



1 service or unmetered utility service, such as solid waste collection, that is provided to the building or  
2 group of buildings as a whole.

3 G. "Personally identifiable information" means specific information about a tenant,  
4 including but not limited to the tenant's social security number, birth date, mother's maiden name,  
5 banking data or information, or any other personal or private information.

6 H. "Ratio Utility Billing System" or "RUBS" refers to any methodology by which the cost  
7 of master metered or other unmetered utility service provided to tenants and common areas of a multi-  
8 unit building is apportioned to tenants through the use of a formula that estimates the utility usage of  
9 each rental unit in the building based on the number of occupants in a unit, number of bedrooms in a  
10 unit, square footage of a unit, or any similar criterion.

11 I. "Rental agreement" means a "rental agreement" as defined in and within the scope of  
12 RCW 59.18.030 and RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed,  
13 and is deemed to include any month-to-month tenancy arrangement, whether written or oral. At the time  
14 of the passage of the ordinance codified in this chapter, the RLTA defined "rental agreement" as "all  
15 agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions  
16 concerning the use and occupancy of a dwelling unit."

17 J. "Service charge" refers to any charge or fee imposed by the billing entity to cover the  
18 costs of providing or administering the billing practices, regardless of the label applied to such charge or  
19 fee.

20 K. "Tenant" means a "tenant" as defined in and within the scope of RCW 59.18.030 and  
21 RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed, and shall also mean  
22 a tenant of a mobile home park or boat moorage. At the time of passage of the ordinance codified in this  
23  
24



1 chapter, the RLTA defined "tenant" as "any person who is entitled to occupy a dwelling unit primarily  
2 for living or dwelling purposes under a rental agreement."

3 L. "Billing practices" refers to the practices of a landlord or third party billing agent, as  
4 defined herein, that bills residential multi-unit building tenants for the purpose of apportioning master  
5 metered or other unmetered utility services provided to the building(s) as a whole, either by directly  
6 submetering tenants' usage or by otherwise apportioning such utility services among tenants, and also  
7 refers to any practices related thereto, including but not limited to collecting, using or disclosing tenants'  
8 personally identifiable information (other than name and address), attempting to collect unpaid amounts  
9 from tenants, verifying tenants' credit, and reporting unpaid balances to credit reporting agencies.

10 M. "Third party billing agent" refers to any entity retained or authorized by a landlord to bill  
11 tenants for master metered or other unmetered utility service on behalf of and as the agent of a landlord.

12 N. "Utilities" or "utility service(s)" refers to water, sewer, electric, and solid waste services.

13  
14 **7.25.030 Prohibited billing practices.**

15 A. It is a deceptive and fraudulent business practice for any landlord or third party billing  
16 agent to bill tenants separately for utility services except as permitted in this chapter.

17 B. It is a deceptive and fraudulent business practice for a landlord to engage, retain, or  
18 authorize, and a landlord shall be liable for the actions of, a third party billing agent that does not  
19 comply with the requirements of this chapter.

20 C. As of the effective date of this ordinance, no landlord may disclose to a third party billing  
21 agent a tenant's personally identifiable information under any circumstances, provided, however, that  
22 nothing in this chapter shall prevent a landlord from disclosing a tenant's name and address to a third  
23 party billing agent for the purpose of engaging in permitted billing practices.



1 D. A third party billing agent who prior to the effective date of this ordinance has obtained  
2 any tenant's personally identifiable information (other than name and address) shall not use, sell,  
3 convey, or otherwise disclose that personally identifiable information to any other person, except as  
4 expressly permitted in this chapter, and must destroy all such information upon a tenant's request, when  
5 the tenancy terminates and the account is paid, or when the landlord terminates the third party billing  
6 agency relationship.

7 E. No third party billing agent may inform a credit reporting agency of a claim against a  
8 tenant except as expressly permitted in RCW Chapter 19.16, regardless of whether the third party billing  
9 agent is licensed by the state pursuant to that chapter.

10  
11 **7.25.040 Billing requirements.**

12 A. Notwithstanding the prohibition against submetering electric service in  
13 SMC 21.49.100(G), a landlord may, itself or through a third party billing agent, bill tenants for master  
14 metered or other unmetered utility services, including electric service provided to tenants of multi-unit  
15 buildings, provided that the following requirements are met:

- 16 1. Notice Billing practices may be adopted only upon advance written notice to a  
17 tenant as part of a new or renewed rental agreement. Tenants must receive such written  
18 notice at least 90 days before expiration of their rental agreements, or, in the case of  
19 month-to-month tenancies, at least 90 days before any such billing practices may become  
20 effective. Notwithstanding the foregoing two sentences, if billing practices are already in  
21 place at the time the ordinance codified in this chapter becomes effective, written notice  
22 must be given within 30 days of the effective date of the ordinance codified in this  
23 chapter.  
24



1           2.     Methodology The notice required under section A.1 above must include a copy  
2 of this chapter and a detailed written disclosure of the methodology used by the billing  
3 agent to allocate the charges to each tenant, including the methodology used to allocate  
4 utility services for common areas of the building, along with all other terms and  
5 conditions of the billing arrangement. If submetering is used, the notice required under  
6 section A.1 shall also include descriptions of the location of the submeter and of the  
7 access requirements, if any, required by the landlord for access to tenant units for  
8 submeter installation, reading, repair, maintenance, or inspections, including removal of  
9 the submeter for testing, consistent with the provisions of RCW 59.18.150 of the RLTA.  
10 An additional written notice must also be given at least 30 days prior to the due date of  
11 the next rental payment in order to implement a change in billing agents, apportionment  
12 methodology, fees, or other terms and conditions of the billing arrangement.

13           3.     Posting of Information

14           a.     In addition to the written notification required by subsection A.2. above,  
15 any landlord employing billing practices shall post in a conspicuous public  
16 space in the interior of the building copies of the three most current utility  
17 bills for master metered or other unmetered utility services provided to the  
18 building as a whole that are included in the bill sent to the tenant, together  
19 with a written description of the methodology used to allocate each such  
20 utility service and a copy of this chapter.

21           b.     Where such posting is physically impracticable due to the absence of a  
22 suitable conspicuous public space, a landlord may satisfy this posting  
23 requirement by hand-delivering or mailing to tenants a paper copy of the  
24



1 written notification required by subsection A.2, together with a written  
2 description of the methodology used to allocate each such utility service  
3 and a copy of this chapter. In lieu of posting the three most current utility  
4 bills for master metered or other unmetered utility services provided to the  
5 building as a whole that are included in the bill sent to the tenant, the  
6 landlord must make such utility bills available upon request within 5  
7 business days and must inform tenants in the written notification required  
8 by subsection A.2 of the method by which they may request such utility  
9 bills.

10 c. Landlords shall keep bills for master metered or other unmetered utility  
11 services on file in the building for at least two years and shall make such  
12 bills available to tenants for inspection and copying upon request. Where  
13 it is physically impracticable to keep such bills on file due to the absence  
14 of a suitable office or other storage space, a landlord may store the bills in  
15 another location and must make such bills available within 5 business days  
16 of receiving a request from a tenant.

17 4. Limitations on Charges The total of all charges for any utility service included in  
18 the bills sent to all units cumulatively shall not exceed the amount of the bill sent by the  
19 utility itself for the building as a whole, less any late charges, interest or other penalties  
20 owed by the landlord, with the exception of the following, which may be included in each  
21 bill covering an independent unit within the multi-unit building:  
22  
23  
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- 1 a. A service charge of no more than \$2 per utility per month, not to exceed a  
2 cumulative service charge of \$5 per month for all the utilities included in any  
3 bill.
- 4 b. Late payment charges of no more than \$5 per month plus interest at a rate not  
5 to exceed 1% per month, which late payment charge shall not accrue until at  
6 least 30 days after the tenant receives the bill.
- 7 c. Insufficient funds check charges for dishonored checks, not to exceed \$31 per  
8 dishonored check.

9 5. Licensing of Third Party Billing Agents Any third party billing agent must be  
10 properly registered and licensed to do business in the State of Washington and City of  
11 Seattle and must be in compliance with all applicable Washington state and Seattle laws  
12 and regulations, and all applicable Washington and Seattle license identification numbers,  
13 if any, must be disclosed upon request.

14 6. Content of Bills Each billing statement sent to a tenant by a billing entity must  
15 disclose all required information in a clear and conspicuous manner and at minimum  
16 must:

- 17 a. Include the name, business address & telephone number of the billing  
18 entity;
- 19 b. Identify and show the basis for each separate charge, including service  
20 charges and late charges, if any, as a line item, and show the total amount  
21 of the bill;
- 22 c. If the building units are submetered, include the current and previous  
23 meter readings, the current read date, and the amount consumed (or  
24



1 estimated to have been consumed if Seattle Public Utilities or Seattle City  
2 Light has provided the landlord with an estimated bill);

- 3 d. Specify the due date, the date upon which the bill becomes overdue, the  
4 amount of any late charges or penalties that may apply, and the date upon  
5 which such late charges or penalties may be imposed;
- 6 e. Identify any past due dollar amounts;
- 7 f. Identify a mailing address and telephone number for billing inquiries and  
8 disputes, identify the entity responsible for resolving billing inquiries and  
9 disputes and its business hours and days of availability, and describe the  
10 process used to resolve disputes related to bills as set forth in this chapter;  
11 and
- 12 g. Include a statement to the effect that "this bill is from [landlord name] and  
13 not from Seattle Public Utilities or Seattle City Light."

14 7. Protection of Personally Identifiable Information

- 15 a. A third party billing agent who prior to the effective date of this ordinance  
16 has obtained a tenant's personally identifiable information shall take such  
17 actions as are necessary to protect such personally identifiable information  
18 and to prevent its use or disclosure except as expressly permitted in this  
19 chapter.
- 20 b. A third party billing agent who prior to the effective date of this ordinance  
21 has obtained a tenant's personally identifiable information may disclose  
22 such personally identifiable information only to the extent necessary to  
23 render its billing services.  
24



1 c. To the extent required by federal, state, or local law, a billing entity may  
2 disclose personally identifiable information in its possession (i) pursuant  
3 to a subpoena or valid court order authorizing such disclosure, or (ii) to a  
4 governmental entity.

5 8. Estimated Billing If Seattle Public Utilities or Seattle City Light has billed the  
6 landlord using an estimate of utility service consumed, the billing agent may estimate the  
7 charges to be billed to tenants until billing based on actual consumption resumes. Upon  
8 receipt of a corrected bill showing that the estimated bill overstated charges, the landlord  
9 must refund the difference to tenants. Upon receipt of a corrected bill showing that the  
10 estimated bill understated charges, the landlord may attempt to recover the underpayment  
11 from the tenants that actually incurred the charges during the billing period, but shall not  
12 attempt to recover an underpayment from a tenant who did not reside in the unit during  
13 the billing period in which the charges were incurred.

14 9. Submetering Submetering is permitted as a way of allocating master metered  
15 utility services to tenants provided the following conditions are met:

- 16 a. The submeters must be read prior to each billing.
- 17 b. A landlord may not enter a unit without, and a tenant may not  
18 unreasonably withhold, consent to enter the unit in order to perform  
19 submeter installation, reading, repair, maintenance, and inspection,  
20 including removal of the submeter for testing, provided, however, that a  
21 landlord may enter a unit without a tenant's consent in the case of a  
22 submeter leak or emergency related to that unit's submeter.
- 23  
24



1                   c.     If a tenant contests the accuracy of the submeter, the tenant shall have the  
2                             option of demanding an independent test of the meter through the  
3                             Consumer Affairs Division of the Department of Executive  
4                             Administration. If the meter reads within a 5% range of accuracy, the  
5                             tenant requesting the test shall pay the cost of the meter test. If the meter  
6                             reads outside a 5% range of accuracy, the landlord shall pay for the cost of  
7                             the meter test and within 30 days refund any overpayments for the past  
8                             three months based on a recalculation of the past year's billings by  
9                             correcting for the inaccuracy of the submeter. Submetering thereafter  
10                            shall only be permitted with a repaired submeter.

11            B.     Nothing in this section shall be construed to prevent a landlord from addressing billing of  
12 master metered or other unmetered utility services in a written addendum to a lease. A lease addendum  
13 may be used to give the notice required under subsection A.1 of this subsection, so long as the lease  
14 addendum is provided to the tenant with the notice required under that subsection, and so long as all  
15 other requirements of this chapter are satisfied.

16  
17            **7.25.050        Dispute resolution and remedies.**

18            A.     A dispute regarding the amount of charges or other terms and conditions contained in a  
19 bill shall be resolved as follows:

20                    1.     The tenant must notify the entity responsible for billing disputes as identified in  
21                            the bill ("Responsible Entity") of the nature of and reason for the dispute by calling the  
22                            number shown on the bill or by writing a letter to the Responsible Entity within 30 days  
23                            of receiving the bill. The tenant must have a good faith basis for any such dispute.  
24



1           2.       Within 30 days of receiving notice of a billing dispute, the Responsible Entity  
2           must contact the tenant to discuss the dispute, and the Responsible Entity and tenant must  
3           determine the amount of disputed and undisputed charges. The tenant must pay all  
4           undisputed charges within 30 days of reaching agreement with the Responsible Entity.

5           3.       No late fees or interest charges shall accrue on any disputed portions of a bill  
6           while the amount is being resolved in accordance with subsections A.1 and 2, and no  
7           collection activity related to the disputed portions of a bill may be instituted against a  
8           tenant that has notified the Responsible Entity of a dispute in accordance with this  
9           chapter.

10          4.       The tenant and Responsible Entity shall continue to discuss in good faith any  
11          remaining disputed amounts and attempt to reach an agreement on the amount due, if  
12          any, within 60 days of the Responsible Entity's receipt of notice of a billing dispute. If a  
13          tenant is unable to reach a satisfactory resolution of any portion of a disputed charge  
14          within the allotted time, the tenant may exercise any of the remedies set forth in Section  
15          B below or any other available remedies, provided, however, that if within 120 days of  
16          the Responsible Entity's receipt of notice of a billing dispute, the tenant has not either  
17          exercised one of the remedies set forth in Section B or paid the remaining disputed  
18          amounts, the landlord may exercise any legal or equitable remedies available to it to  
19          collect the unpaid amounts, and provided further that nothing in this subsection shall be  
20          construed to deprive a landlord of its right to exercise any legal or equitable remedies  
21          available to it against a tenant that has not paid any undisputed charges, has not followed  
22          the procedures set forth in this section, or has not exercised good faith in disputing a  
23          charge.



1           B.     If a tenant believes that it has been or will be subject to billing practices that violate any  
2 provision set forth in this chapter, the tenant may, at its option, file a complaint against the landlord with  
3 the Office of the Hearing Examiner or institute a civil action against the landlord, as follows:

4           1.     The Office of the Hearing Examiner is hereby vested with the authority to hear  
5 and resolve tenant complaints against landlords regarding billing practices in accordance  
6 with its rules and procedures then in force governing contested cases. The filing fee for  
7 such a case shall be set at \$5.00. Upon the finding of a violation of this chapter, the  
8 Hearing Examiner shall award actual damages (including but not limited to refund of any  
9 overpayment or other fees or charges resulting from such violation, and costs of pursuing  
10 the claim) and a penalty of one hundred dollars, and may permit the tenant to terminate  
11 the rental agreement by written notice in accordance with RCW 59.18.090. If the  
12 Hearing Examiner determines that the landlord engaged in prohibited billing practices in  
13 deliberate violation of this chapter, the penalty mentioned in the preceding sentence shall  
14 be two hundred dollars, and the Hearing Examiner shall also award attorneys' fees to the  
15 tenant. A final order or decision of the Hearing Examiner may be subject to judicial  
16 review in the King County Superior Court in accordance with the Hearing Examiner's  
17 rules and procedures.

18           2.     In the alternative, a tenant may institute a civil action against the landlord. Upon  
19 a finding that a landlord engaged in billing practices that violate this chapter, the court  
20 shall award actual damages (including but not limited to refund of any overpayment or  
21 other fees or charges resulting from such violation, and costs of pursuing the claim) and a  
22 penalty of one hundred dollars, and may permit the tenant to terminate the rental  
23 agreement by written notice in accordance with RCW 59.18.090. If the court determines  
24



1 that the landlord engaged in prohibited billing practices in deliberate violation of this  
2 chapter, the penalty mentioned in the preceding sentence shall be two hundred dollars,  
3 and the court shall also award attorneys' fees to the tenant.

4 3. No late fees or interest charges shall accrue on any disputed portions of a bill  
5 while the amount is being resolved by the Hearing Examiner or court, and no collection  
6 activity or unlawful detainer action alleging default in the payment of rent related to the  
7 disputed portions of a bill may be instituted against a tenant that has filed a complaint  
8 with the Hearing Examiner or instituted a civil action in accordance with this chapter  
9 while the amount is being resolved by the Hearing Examiner or court. If the Hearing  
10 Examiner or court resolves the dispute and finds that a tenant that has not acted in good  
11 faith in asserting a billing dispute, the Hearing Examiner or court may order the tenant to  
12 pay late fees and/or interest charges on some or all of the disputed portions of the bill.

13 4. A landlord shall not pass on, charge, or otherwise allocate to tenants, in any  
14 manner whatsoever, any damages, fine or penalty (including attorneys' fees) that the  
15 landlord is ordered to pay under this chapter.

16 C. The existence of an unresolved or pending billing dispute does not relieve a tenant of its  
17 obligation to pay in a timely fashion all undisputed charges, including those undisputed charges that  
18 accrue after the dispute resolution procedures of this chapter have been invoked.

19  
20 Section 2. In consultation with Seattle Public Utilities, the Department of Executive  
21 Administration's Revenue and Consumer Affairs division shall, within 180 days of the effective date of  
22 this ordinance, present to Council a proposal for a meter testing program and an associated cost-recovery  
23 based fee to satisfy the meter testing requirements established in this ordinance. This proposal shall also  
24



1 include recommendations regarding alternative approaches to regulation of submetering, including  
2 allowing use of only certain approved meters or metering technologies, establishing minimal operational  
3 standards for meters, and requiring regular testing of all installed meters.

4  
5 Section 3. The provisions of this chapter shall take effect February 1, 2004 ("Effective Date").

6  
7 Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its  
8 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after  
9 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

10  
11 Passed by the City Council the 3<sup>rd</sup> day of November, 2003 and signed by me in open  
12 session in authentication of its passage this 3<sup>rd</sup> day of November, 2003.

13  
14 John Stemberger  
President \_\_\_\_\_ of the City Council

15 Approved by me this 13 day of November, 2003.

16  
17 Gregory J. Nickels  
Gregory J. Nickels, Mayor

18  
19 Filed by me this 13<sup>th</sup> day of November, 2003

20  
21 Judith E. Apperi  
City Clerk

22 (Seal)

**ORDINANCE**

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1  
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6 WHEREAS, with increasing frequency, residential landlords and property owners are instituting third  
7 party billing practices for master metered or unmetered utility services instead of including such  
8 costs within the monthly rent; and

9 WHEREAS, some of these third party billing demands on tenants have come without prior notice or  
10 agreement and without explanation of the methodology for allocating the utility bills; and

11 WHEREAS, certain third party bills for utility services are being sent to tenants by entities that are not  
12 licensed and/or registered to do business in the State of Washington, and

13 WHEREAS, certain third party bills include unreasonable and unjustified administrative fees and  
14 excessive late fees and penalties, or do not adequately inform tenants of the basis of any fees or  
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16 WHEREAS, provisions requiring disclosure of significant information concerning third party billing of  
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20 WHEREAS, tenants and occupants of individual units currently have little or no recourse by which they  
21 can dispute or inquire about third party bills or can challenge third party billing practices, and are  
22 being deprived of the benefit of consumer protection laws; and

23 WHEREAS, the City Council intends to continue monitoring the impacts of third party billing and to  
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5 **THIRD PARTY BILLING REGULATION**

6 **7.25.010 Short title and purpose.**

7 A. This chapter may be known and be cited as "Third Party Billing Regulation." The  
8 general purpose of this chapter is to prevent the imposition of third party billing of master metered or  
9 other unmetered utility services without proper notice and disclosure to tenants, and to protect tenants  
10 from deceptive or fraudulent third party billing practices, and to these ends the provisions of this chapter  
11 shall be liberally construed.

12 B. Nothing in this chapter shall be construed to prevent a landlord from including a tenant's  
13 cost of master metered or other unmetered utility services within the rent set forth in a rental agreement.

14  
15 **7.25.020 Definitions.**

16 As used in this chapter:

17 A. "Disclosure" means providing tenants with complete and accurate written information in  
18 a clear, concise, and understandable manner in all notices required under this chapter and on each bill  
19 presented from the third party billing entity to tenants.

20 B. "Landlord" means a "landlord" as defined in and within the scope of RCW 59.18.030 and  
21 RCW 59.18.040 of the Residential Landlord Tenant Act of 1973 ("RLTA") in effect at the time the  
22 rental agreement is executed. At the time of passage of the ordinance codified in this chapter, RLTA  
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1 defined "landlord" as "the owner, lessor, or sublessor of the dwelling unit or the property of which it is a  
2 part," and included "any person designated as representative of the landlord."

3 C. "Multi-unit building" refers to a building with 3 or more tenant units with a master  
4 metered utility service or unmetered utility service, such as solid waste collection, that is provided to the  
5 building as a whole.

6 D. "Personally identifiable information" means specific information about a tenant,  
7 including but not limited to the tenant's social security number, birth date, mother's maiden name, utility  
8 usage, banking data or information, or any other personal or private information.

9 E. "Rental agreement" means a "rental agreement" as defined in and within the scope of  
10 RCW 59.18.030 and RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed.  
11 At the time of the passage of the ordinance codified in this chapter, the RLTA defined "rental  
12 agreement" as "all agreements which establish or modify the terms, conditions, rules, regulations, or any  
13 other provisions concerning the use and occupancy of a dwelling unit."

14 F. "Tenant" means a "tenant" as defined in and within the scope of RCW 59.18.030 and  
15 RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed. At the time of  
16 passage of the ordinance codified in this chapter, the RLTA defined "tenant" as "any person who is  
17 entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement."

18 G. "Third party billing" refers to the practice of a landlord or any entity other than the utility  
19 itself billing multi-unit building tenants for the purpose of apportioning master metered or other  
20 unmetered utility services provided to the building as a whole, either by directly submetering tenants'  
21 usage or by otherwise apportioning such utility services among tenants.



1           **7.25.030        Prohibited third party billing practices.**

2           A.       It is a deceptive and fraudulent business practice for any landlord or entity other than the  
3 utility itself to bill tenants separately for utility services except as permitted in this chapter.

4           B.       No third party billing agent may use, sell, convey, or otherwise disclose tenants'  
5 personally identifiable information to any other person, except as expressly permitted in this chapter,  
6 and must destroy all such information when the tenancy terminates and the account is paid, or when the  
7 landlord terminates the third party billing agency relationship.

8           C.       No third party billing agent may inform a credit reporting agency of a claim against a  
9 tenant except as expressly permitted in RCW Chapter 19.16, regardless of whether the billing agent is  
10 licensed by the state pursuant to that chapter.

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12           **7.25.040        Third party billing requirements.**

13           A.       Notwithstanding the prohibition against submetering electric service in  
14 SMC 21.49.100(G), third party billing of utility services is permitted, provided that the following  
15 requirements are met:

16               1.       Notice Third party billing may be adopted only upon advance written notice to a  
17 tenant as part of a new or renewed rental agreement, provided, however, that if third party  
18 billing is already in place at the time the ordinance codified in this chapter becomes  
19 effective, written notice must be given within 30 days of the effective date of the  
20 ordinance codified in this chapter. Tenants must receive such written notice at least 90  
21 days before they must renew their rental agreements.

22               2.       Methodology The notice required under section A.1 above must include a  
23 detailed written disclosure of the methodology used by the billing agent to allocate the  
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1 charges to each tenant, including the methodology used to allocate utility services for  
2 common areas of the building, along with all other terms and conditions of the third party  
3 billing arrangement. An additional written notice must also be given 30 days prior to a  
4 change in billing agents, apportionment methodology, fees, or other terms and conditions  
5 of the third party billing arrangement.

6 3. Posting of Information In addition to the written notification required by  
7 subsection A.2. above, any landlord employing third party billing shall post in a  
8 conspicuous public space in the building copies of the three most current utility bills for  
9 master metered or other unmetered utility services provided to the building as a whole  
10 that are included in the third party billing, together with a written description of the  
11 methodology used to allocate each such utility service. Landlords shall keep bills for  
12 master metered or other unmetered utility services on file in the building for at least two  
13 years and shall make such bills available to tenants for inspection and copying upon  
14 request.

15 4. Limitations on Charges The total of all charges for any utility service included in  
16 the third party billing shall not exceed the amount of the bill sent by the utility itself, less  
17 any late charges, interest or other penalties owed by the landlord for the building as a  
18 whole, with the exception of the following:

- 19 a. A service charge of no more than \$2 per utility per month, not to exceed a  
20 cumulative service charge of \$5 per month for all the utilities included in any  
21 third party billing.
- 22 b. Late payment charges of no more than 1% per month, which shall not accrue  
23 until at least 30 days after the tenant receives the bill.
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1 c. Insufficient funds check charges for dishonored checks.

2 5. Licensing of Third Party Billing Agents Any third party billing agent must be  
3 properly registered and licensed to do business in the State of Washington and must be in  
4 compliance with all applicable Washington state laws and regulations, and its  
5 Washington license identification number must be disclosed on each billing statement.

6 6. Content of Bills Each billing statement sent to a tenant by a third party billing  
7 agent must disclose all required information in a clear and conspicuous manner and at  
8 minimum must:

- 9 a. Include the name, business address & telephone number of the third party  
10 billing agent;
- 11 b. Identify and show the basis for each separate charge, including service  
12 charges and late charges, if any, as a line item, and show the total amount  
13 of the bill;
- 14 c. Show taxes, any tax percentage rate from which the taxes are calculated,  
15 and the total taxed amount;
- 16 d. If the building units are submetered, include the current and previous  
17 meter readings, the current read date, and the amount consumed;
- 18 e. Specify the due date, the date upon which the bill becomes overdue, the  
19 amount of any late charges or penalties that may apply, and the date upon  
20 which such late charges or penalties may be imposed;
- 21 f. Identify a telephone number for billing inquiries and disputes, and  
22 describe the process used to resolve disputes related to third party bills as  
23 set forth in this chapter; and  
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- 1 g. Display the Washington license identification number assigned to the third  
2 party billing agent.

3 7. Protection of Personally Identifiable Information

- 4 a. A third party billing agent shall take such actions as are necessary to  
5 protect personally identifiable information and to prevent its use or  
6 disclosure except as expressly permitted in this chapter.  
7 b. A third party billing agent may disclose personally identifiable  
8 information only to the extent necessary to render its third party billing  
9 services.  
10 c. To the extent required by federal, state, or local law, a third party billing  
11 agent may disclose personally identifiable information (i) pursuant to a  
12 subpoena or valid court order authorizing such disclosure, or (ii) to a  
13 governmental entity.

14 8. Submetering Submetering is permitted as a way of allocating master metered  
15 utility services to tenants provided the following conditions are met:

- 16 a. The submeters must be read prior to each third party billing.  
17 b. If a tenant contests the accuracy of the submeter, the tenant shall have the  
18 option of demanding an independent test of the meter through the  
19 Consumer Affairs Division of the Department of Executive  
20 Administration. If the meter reads within a 5% range of accuracy, the  
21 tenant requesting the test shall pay the cost of the meter test. If the meter  
22 reads outside a 5% range of accuracy, the building owner or manager shall  
23 pay for the cost of the meter test and within 30 days refund any  
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1 overpayments for the past one year based on a recalculation of the past  
2 year's billings by correcting for the inaccuracy of the submeter.

3 Submetering thereafter shall only be permitted with a repaired submeter.

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5 **7.25.050 Dispute resolution and remedies.**

6 A. A dispute regarding the amount of charges or other terms and conditions contained in a  
7 third party bill shall be resolved as follows:

8 1. The tenant must notify the third party billing agent of the nature of and reason for  
9 the dispute by calling the number shown on the bill or by writing a letter to the third party  
10 billing agent within 30 days of receiving the bill.

11 2. Within 30 days of receiving notice of a billing dispute, the third party billing  
12 agent must contact the tenant to discuss the dispute. The billing agent and tenant shall  
13 determine the amount of disputed and undisputed charges, and the tenant must pay all  
14 reasonable and undisputed charges within 30 days of reaching agreement with the billing  
15 agent.

16 3. No late fees or interest charges shall accrue on any disputed portions of a bill  
17 while the amount is being resolved, and no collection activity may be instituted against a  
18 tenant that has notified the third party billing agent of a dispute in accordance with this  
19 chapter.

20 4. The tenant and third party billing agent shall continue to discuss any remaining  
21 disputed amounts and attempt to reach an agreement on the amount due, if any. If a  
22 tenant is unable to reach a satisfactory resolution of any portion of a disputed charge, it  
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1           may exercise any of the remedies set forth in Section B below or any other remedies  
2           available to the tenant.

3           B.     If a tenant believes that it has been or will be subject to third party billing practices that  
4           violate any provision set forth in this chapter, the tenant may, at its option, file a complaint with the  
5           Office of the Hearing Examiner or institute a civil action against the landlord, as follows:

6           1.     The Office of the Hearing Examiner is hereby vested with the authority to hear  
7           and resolve tenant complaints regarding third party billing practices in accordance with  
8           its rules and procedures then in force governing contested cases. The filing fee for such a  
9           case shall be set at \$5.00. Upon the finding of a violation of this chapter, the Hearing  
10          Examiner shall award actual damages, attorneys' fees, and a penalty of one hundred  
11          dollars, and may permit the tenant to terminate the rental agreement by written notice in  
12          accordance with RCW 59.18.090. If the Hearing Examiner determines that the landlord  
13          instituted prohibited third party billing practices in deliberate violation of this chapter, the  
14          penalty mentioned in the preceding sentence shall be two hundred dollars. A final order  
15          or decision of the Hearing Examiner may be subject to judicial review in the King  
16          County Superior Court in accordance with the Hearing Examiner's rules and procedures.

17          2.     In the alternative, a tenant may institute a civil action against the landlord. Upon  
18          a finding that a landlord has instituted third party billing practices that violate this  
19          chapter, the court shall award actual damages, attorneys' fees, and a penalty of one  
20          hundred dollars, and may permit the tenant to terminate the rental agreement by written  
21          notice in accordance with RCW 59.18.090. If the court determines that the landlord  
22          instituted prohibited third party billing practices in deliberate violation of this chapter, the  
23          court shall impose a penalty of two hundred dollars.



1           3.       No late fees or interest charges shall accrue on any disputed portions of a bill  
2 while the amount is being resolved by the Hearing Examiner or court, and no collection  
3 activity may be instituted against a tenant that has file a complaint with the Hearing  
4 Examiner or instituted a civil action in accordance with this chapter.

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7           Section 2. In consultation with Seattle Public Utilities, the Department of Executive  
8 Administration's Revenue and Consumer Affairs division shall, within 90 days of the effective date of  
9 this ordinance, present to Council a proposal for a meter testing program and an associated cost-recovery  
10 based fee to satisfy the meter testing requirements established in this ordinance. This proposal shall also  
11 include recommendations regarding alternative approaches to regulation of submetering, including  
12 allowing use of only certain approved meters or metering technologies, establishing minimal operational  
13 standards for meters, and requiring regular testing of all installed meters.



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Section 3. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, and signed by me in open session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Gregory J. Nickels, Mayor

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
City Clerk

(Seal)



**ORDINANCE \_\_\_\_\_**

1  
2  
3 AN ORDINANCE prohibiting deceptive and fraudulent practices related to third party billing for master  
4 metered or other unmetered utility services provided to multi-unit buildings as a whole; and  
adding a new chapter to Title 7 of the Seattle Municipal Code.

5 WHEREAS, many utility services provided to residential multi-unit buildings in the City of Seattle are  
6 billed by the utility on a master metered or unmetered basis, and the landlord or property owner  
is responsible for paying the utility for all charges contained in such bills; and

7 WHEREAS, historically, most landlords in the City of Seattle have recouped the amounts they have  
8 paid for such utility services in the monthly rental rates they charge their tenants; and

9 WHEREAS, with increasing frequency, residential landlords and property owners are recouping utility  
10 charges by billing tenants for master metered or unmetered utility services, either themselves or  
through a third party agent, instead of including such costs within the monthly rent; and

11 WHEREAS, some of these billing demands on tenants have come without prior notice or agreement and  
without explanation of the methods used to allocate the utility bills; and

12 WHEREAS, certain bills for utility services are being sent to tenants by third parties that may be  
13 required to be, but are not, licensed and/or registered to do business in the State of Washington  
or the City of Seattle; and

14 WHEREAS, certain bills include unreasonable and unjustified administrative fees and excessive late  
15 fees and penalties, or do not adequately inform tenants of the basis of any fees or penalties  
imposed; and

16 WHEREAS, provisions requiring disclosure of significant information concerning billing of master  
17 metered or unmetered utility service would enable tenants to better understand the costs and  
allocation methods reflected in the utility bills and would more accurately reflect the actual costs  
18 of utilities; and

19 WHEREAS, tenants and occupants of individual units currently have little or no recourse by which they  
20 can dispute or inquire about bills for master metered or unmetered utility service or can  
challenge billing practices, and are being deprived of the benefit of consumer protection laws;  
and

21 WHEREAS, the City Council intends to continue monitoring the impacts of billing of master metered or  
22 unmetered utility service and to review whether the provisions of this ordinance have provided a  
sufficient degree of consumer protection for tenants and reasonable requirements for landlords;  
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1 NOW, THEREFORE,

2 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

3  
4 Section 1. A new chapter is added to Seattle Municipal Code Title 7 to read as follows:

5 **Chapter 7.25**

6 **THIRD PARTY BILLING REGULATION**

7 **7.25.010 Short title and purpose.**

8 A. This chapter may be known and be cited as "Third Party Billing Regulation." The  
9 general purpose of this chapter is to prevent landlords, either themselves or through a third party billing  
10 agent, from billing tenants for master metered or other unmetered utility services without proper notice  
11 and disclosure of billing practices to tenants, and to protect tenants from deceptive or fraudulent billing  
12 practices, and to these ends the provisions of this chapter shall be liberally construed.

13 B. Nothing in this chapter shall be construed to prevent a landlord from including a tenant's  
14 cost of master metered or other unmetered utility services within the rent set forth in a rental agreement,  
15 and the practice of including such cost within a tenant's rent shall not be considered a billing practice or  
16 methodology affected by the provisions of this chapter.

17 C. Nothing in this chapter shall be construed to affect the practices used by Seattle Public  
18 Utilities or Seattle City Light to bill and collect residential multi-unit building owners or landlords for  
19 master metered or other unmetered utility service.



1           **7.25.020       Definitions.**

2           As used in this chapter:

3           A.       “Billing entity” means the landlord or third party billing agent, as the case may be,  
4 responsible for billing residential multi-unit building tenants for master metered or other unmetered  
5 utility service.

6           B.       “Disclosure” means providing tenants with complete and accurate written information in  
7 a clear, concise, and understandable manner in all notices required under this chapter and on each bill  
8 presented from the billing entity to tenants.

9           C.       “Landlord” means a “landlord” as defined in and within the scope of RCW 59.18.030 and  
10 RCW 59.18.040 of the Residential Landlord Tenant Act of 1973 (“RLTA”) in effect at the time the  
11 rental agreement is executed, and shall also mean the owner of a mobile home park or boat moorage. At  
12 the time of passage of the ordinance codified in this chapter, RLTA defined “landlord” as “the owner,  
13 lessor, or sublessor of the dwelling unit or the property of which it is a part,” and included “any person  
14 designated as representative of the landlord.”

15           D.       “Methodology” refers to any method, technique, or criterion used to apportion to tenants  
16 charges billed to the landlord by the utility for master metered utility service or unmetered utility  
17 service, including but not limited to Ratio Utility Billing Systems, installation of submetering, and hot  
18 water metering.

19           E.       “Multi-unit building” refers to a residential building or group of buildings with 3 or more  
20 tenant units with a master metered utility service or unmetered utility service, such as solid waste  
21 collection, that is provided to the building or group of buildings as a whole.



1 F. "Personally identifiable information" means specific information about a tenant,  
2 including but not limited to the tenant's social security number, birth date, mother's maiden name, utility  
3 usage, banking data or information, or any other personal or private information.

4 G. "Ratio Utility Billing System" or "RUBS" refers to any methodology by which the cost  
5 of master metered or other unmetered utility service provided to tenants and common areas of a multi-  
6 unit building is apportioned to tenants through the use of a formula that estimates the utility usage of  
7 each rental unit in the building based on the number of occupants in a unit, number of bedrooms in a  
8 unit, square footage of a unit, or any similar criterion.

9 H. "Rental agreement" means a "rental agreement" as defined in and within the scope of  
10 RCW 59.18.030 and RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed,  
11 and is deemed to include any month-to-month tenancy arrangement, whether written or oral. At the time  
12 of the passage of the ordinance codified in this chapter, the RLTA defined "rental agreement" as "all  
13 agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions  
14 concerning the use and occupancy of a dwelling unit."

15 I. "Service charge" refers to any charge or fee imposed by the billing entity to cover the  
16 costs of providing or administering the billing practices, regardless of the label applied to such charge or  
17 fee.

18 J. "Tenant" means a "tenant" as defined in and within the scope of RCW 59.18.030 and  
19 RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed, and shall also mean  
20 a tenant of a mobile home park or boat moorage. At the time of passage of the ordinance codified in this  
21 chapter, the RLTA defined "tenant" as "any person who is entitled to occupy a dwelling unit primarily  
22 for living or dwelling purposes under a rental agreement."  
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1 K. "Billing practices" refers to the practices of a landlord or third party billing agent, as  
2 defined herein, that bills residential multi-unit building tenants for the purpose of apportioning master  
3 metered or other unmetered utility services provided to the building(s) as a whole, either by directly  
4 submetering tenants' usage or by otherwise apportioning such utility services among tenants, and also  
5 refers to any practices related thereto, including but not limited to collecting, using or disclosing tenants'  
6 personally identifiable information (other than name and address), attempting to collect unpaid amounts  
7 from tenants, verifying tenants' credit, and reporting unpaid balances to credit reporting agencies.

8 L. "Third party billing agent" refers to any entity retained or authorized by a landlord to bill  
9 tenants for master metered or other unmetered utility service on behalf of and as the agent of a landlord.

10 M. "Utilities" or "utility service(s)" refers to water, sewer, electric, and solid waste services.

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12 **7.25.030 Prohibited billing practices.**

13 A. It is a deceptive and fraudulent business practice for any landlord or third party billing  
14 agent to bill tenants separately for utility services except as permitted in this chapter.

15 B. It is a deceptive and fraudulent business practice for a landlord to engage, retain, or  
16 authorize, and a landlord shall be liable for the actions of, a third party billing agent that does not  
17 comply with the requirements of this chapter.

18 C. As of the effective date of this ordinance, no landlord may disclose to a third party billing  
19 agent a tenant's personally identifiable information under any circumstances, provided, however, that  
20 nothing in this chapter shall prevent a landlord from disclosing a tenant's name and address to a third  
21 party billing agent for the purpose of engaging in permitted billing practices.

22 D. A third party billing agent who prior to the effective date of this ordinance has obtained  
23 any tenant's personally identifiable information (other than name and address) shall not use, sell,  
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1 convey, or otherwise disclose that personally identifiable information to any other person, except as  
2 expressly permitted in this chapter, and must destroy all such information upon a tenant's request, when  
3 the tenancy terminates and the account is paid, or when the landlord terminates the third party billing  
4 agency relationship.

5 E. No third party billing agent may inform a credit reporting agency of a claim against a  
6 tenant except as expressly permitted in RCW Chapter 19.16, regardless of whether the third party billing  
7 agent is licensed by the state pursuant to that chapter.

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9 **7.25.040 Billing requirements.**

10 A. Notwithstanding the prohibition against submetering electric service in  
11 SMC 21.49.100(G), a landlord may, itself or through a third party billing agent, bill tenants for master  
12 metered or other unmetered utility services, including electric service provided to tenants of multi-unit  
13 buildings, provided that the following requirements are met:

14 1. Notice Billing practices may be adopted only upon advance written notice to a  
15 tenant as part of a new or renewed rental agreement. Tenants must receive such written  
16 notice at least 90 days before expiration of their rental agreements, or, in the case of  
17 month-to-month tenancies, at least 90 days before any such billing practices may become  
18 effective. Notwithstanding the foregoing two sentences,, if billing practices are already  
19 in place at the time the ordinance codified in this chapter becomes effective, written  
20 notice must be given within 30 days of the effective date of the ordinance codified in this  
21 chapter.

22 2. Methodology The notice required under section A.1 above must include a copy  
23 of this chapter and a detailed written disclosure of the methodology used by the billing  
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1 agent to allocate the charges to each tenant, including the methodology used to allocate  
2 utility services for common areas of the building, along with all other terms and  
3 conditions of the billing arrangement. If submetering is used, the notice required under  
4 section A.1 shall also include descriptions of the location of the submeter and of the  
5 access requirements, if any, required by the landlord for access to tenant units for  
6 submeter installation, reading, repair, maintenance, or inspections, including removal of  
7 the submeter for testing, consistent with the provisions of RCW 59.18.150 of the RLTA.  
8 An additional written notice must also be given at least 30 days prior to the due date of  
9 the next rental payment in order to implement a change in billing agents, apportionment  
10 methodology, fees, or other terms and conditions of the billing arrangement.

11 3. Posting of Information

12 a. In addition to the written notification required by subsection A.2. above,  
13 any landlord employing billing practices shall post in a conspicuous public  
14 space in the building copies of the three most current utility bills for  
15 master metered or other unmetered utility services provided to the building  
16 as a whole that are included in the bill sent to the tenant, together with a  
17 written description of the methodology used to allocate each such utility  
18 service and a copy of this chapter.

19 b. Where such posting is physically impracticable due to the absence of a  
20 suitable conspicuous public space, a landlord may satisfy this posting  
21 requirement by hand-delivering or mailing to tenants a paper copy of the  
22 written notification required by subsection A.2, together with a written  
23 description of the methodology used to allocate each such utility service  
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1 and a copy of this chapter. In lieu of posting the three most current utility  
2 bills for master metered or other unmetered utility services provided to the  
3 building as a whole that are included in the bill sent to the tenant, the  
4 landlord must make such utility bills available upon request within 5  
5 business days and must inform tenants in the written notification required  
6 by subsection A.2 of the method by which they may request such utility  
7 bills.

8 c. Landlords shall keep bills for master metered or other unmetered utility  
9 services on file in the building for at least two years and shall make such  
10 bills available to tenants for inspection and copying upon request. Where  
11 it is physically impracticable to keep such bills on file due to the absence  
12 of a suitable office or other storage space, a landlord may store the bills in  
13 another location and must make such bills available within 5 business days  
14 of receiving a request from a tenant.

15 4. Limitations on Charges The total of all charges for any utility service included in  
16 the bills sent to all units cumulatively shall not exceed the amount of the bill sent by the  
17 utility itself, less any late charges, interest or other penalties owed by the landlord for the  
18 building as a whole, with the exception of the following, which may be included in each  
19 bill covering an independent unit within the multi-unit building:

20 a. A service charge of no more than \$2 per utility per month, not to exceed a  
21 cumulative service charge of \$5 per month for all the utilities included in any  
22 bill.  
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- 1                   b. Late payment charges of no more than \$5 per month plus interest at a rate not  
2                   to exceed 1% per month, which late payment charge shall not accrue until at  
3                   least 30 days after the tenant receives the bill.
- 4                   c. Insufficient funds check charges for dishonored checks, not to exceed \$31 per  
5                   dishonored check.

6                   5.    Licensing of Third Party Billing Agents Any third party billing agent must be  
7                   properly registered and licensed to do business in the State of Washington and City of  
8                   Seattle and must be in compliance with all applicable Washington state and Seattle laws  
9                   and regulations, and all applicable Washington and Seattle license identification numbers,  
10                  if any, must be disclosed upon request.

11                  6.    Content of Bills Each billing statement sent to a tenant by a billing entity must  
12                  disclose all required information in a clear and conspicuous manner and at minimum  
13                  must:

- 14                  a.    Include the name, business address & telephone number of the billing  
15                  entity;
- 16                  b.    Identify and show the basis for each separate charge, including service  
17                  charges and late charges, if any, as a line item, and show the total amount  
18                  of the bill;
- 19                  c.    If the building units are submetered, include the current and previous  
20                  meter readings, the current read date, and the amount consumed (or  
21                  estimated to have been consumed if Seattle Public Utilities or Seattle City  
22                  Light has provided the landlord with an estimated bill);



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- d. Specify the due date, the date upon which the bill becomes overdue, the amount of any late charges or penalties that may apply, and the date upon which such late charges or penalties may be imposed;
- e. Identify any past due dollar amounts;
- f. Identify a mailing address and telephone number for billing inquiries and disputes, identify the entity responsible for resolving billing inquiries and disputes and its business hours and days of availability, and describe the process used to resolve disputes related to bills as set forth in this chapter; and
- g. Include a statement to the effect that "this bill is from [landlord name] and not from Seattle Public Utilities or Seattle City Light."

7. Protection of Personally Identifiable Information

- a. A third party billing agent who prior to the effective date of this ordinance has obtained a tenant's personally identifiable information shall take such actions as are necessary to protect such personally identifiable information and to prevent its use or disclosure except as expressly permitted in this chapter.
- b. A third party billing agent who prior to the effective date of this ordinance has obtained a tenant's personally identifiable information may disclose such personally identifiable information only to the extent necessary to render its billing services.
- c. To the extent required by federal, state, or local law, a billing entity may disclose personally identifiable information in its possession (i) pursuant



1 to a subpoena or valid court order authorizing such disclosure, or (ii) to a  
2 governmental entity.

3 8. Estimated Billing If Seattle Public Utilities or Seattle City Light has billed the  
4 landlord using an estimate of utility service consumed, the billing agent may estimate the  
5 charges to be billed to tenants until billing based on actual consumption resumes. Upon  
6 receipt of a corrected bill showing that the estimated bill overstated charges, the landlord  
7 must refund the difference to tenants. Upon receipt of a corrected bill showing that the  
8 estimated bill understated charges, the landlord may attempt to recover the underpayment  
9 from the tenants that actually incurred the charges during the billing period, but shall not  
10 attempt to recover an underpayment from a tenant who did not reside in the unit during  
11 the billing period in which the charges were incurred.

12 9. Submetering Submetering is permitted as a way of allocating master metered  
13 utility services to tenants provided the following conditions are met:

- 14 a. The submeters must be read prior to each billing.
- 15 b. A landlord may not enter a unit without, and a tenant may not  
16 unreasonably withhold, consent to enter the unit in order to perform  
17 submeter installation, reading, repair, maintenance, and inspection,  
18 including removal of the submeter for testing, provided, however, that a  
19 landlord may enter a unit without a tenant's consent in the case of a  
20 submeter leak or emergency related to that unit's submeter.
- 21 c. If a tenant contests the accuracy of the submeter, the tenant shall have the  
22 option of demanding an independent test of the meter through the  
23 Consumer Affairs Division of the Department of Executive  
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1 Administration. If the meter reads within a 5% range of accuracy, the  
2 tenant requesting the test shall pay the cost of the meter test. If the meter  
3 reads outside a 5% range of accuracy, the landlord shall pay for the cost of  
4 the meter test and within 30 days refund any overpayments for the past  
5 three months based on a recalculation of the past year's billings by  
6 correcting for the inaccuracy of the submeter. Submetering thereafter  
7 shall only be permitted with a repaired submeter.

8 B. Nothing in this section shall be construed to prevent a landlord from addressing billing of  
9 master metered or other unmetered utility services in a written addendum to a lease. A lease addendum  
10 may be used to give the notice required under subsection A.1 of this subsection, so long as the lease  
11 addendum is provided to the tenant with the notice required under that subsection, and so long as all  
12 other requirements of this chapter are satisfied.

13  
14 **7.25.050 Dispute resolution and remedies.**

15 A. A dispute regarding the amount of charges or other terms and conditions contained in a  
16 bill shall be resolved as follows:

- 17 1. The tenant must notify the entity responsible for billing disputes as identified in  
18 the bill ("Responsible Entity") of the nature of and reason for the dispute by calling the  
19 number shown on the bill or by writing a letter to the Responsible Entity within 30 days  
20 of receiving the bill. The tenant must have a good faith basis for any such dispute.
- 21 2. Within 30 days of receiving notice of a billing dispute, the Responsible Entity  
22 must contact the tenant to discuss the dispute, and the Responsible Entity and tenant must  
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1 determine the amount of disputed and undisputed charges. The tenant must pay all  
2 undisputed charges within 30 days of reaching agreement with the Responsible Entity.

3 3. No late fees or interest charges shall accrue on any disputed portions of a bill  
4 while the amount is being resolved in accordance with subsections A.1 and 2, and no  
5 collection activity related to the disputed portions of a bill may be instituted against a  
6 tenant that has notified the Responsible Entity of a dispute in accordance with this  
7 chapter.

8 4. The tenant and Responsible Entity shall continue to discuss in good faith any  
9 remaining disputed amounts and attempt to reach an agreement on the amount due, if  
10 any, within 60 days of the Responsible Entity's receipt of notice of a billing dispute. If a  
11 tenant is unable to reach a satisfactory resolution of any portion of a disputed charge  
12 within the allotted time, the tenant may exercise any of the remedies set forth in Section  
13 B below or any other available remedies, provided, however, that nothing in this  
14 subsection shall be construed to deprive a landlord of its right to exercise any legal or  
15 equitable remedies available to it against a tenant that has not paid any undisputed  
16 charges, has not followed the procedures set forth in this section, or has not exercised  
17 good faith in disputing a charge.

18 B. If a tenant believes that it has been or will be subject to billing practices that violate any  
19 provision set forth in this chapter, the tenant may, at its option, file a complaint against the landlord with  
20 the Office of the Hearing Examiner or institute a civil action against the landlord, as follows:

21 1. The Office of the Hearing Examiner is hereby vested with the authority to hear  
22 and resolve tenant complaints against landlords regarding billing practices in accordance  
23 with its rules and procedures then in force governing contested cases. The filing fee for  
24



1 such a case shall be set at \$5.00. Upon the finding of a violation of this chapter, the  
2 Hearing Examiner shall award actual damages and a penalty of one hundred dollars, and  
3 may permit the tenant to terminate the rental agreement by written notice in accordance  
4 with RCW 59.18.090. If the Hearing Examiner determines that the landlord engaged in  
5 prohibited billing practices in deliberate violation of this chapter, the penalty mentioned  
6 in the preceding sentence shall be two hundred dollars, and the Hearing Examiner shall  
7 also award attorneys' fees to the tenant. A final order or decision of the Hearing  
8 Examiner may be subject to judicial review in the King County Superior Court in  
9 accordance with the Hearing Examiner's rules and procedures.

10 2. In the alternative, a tenant may institute a civil action against the landlord. Upon  
11 a finding that a landlord engaged in billing practices that violate this chapter, the court  
12 shall award actual damages and a penalty of one hundred dollars, and may permit the  
13 tenant to terminate the rental agreement by written notice in accordance with  
14 RCW 59.18.090. If the court determines that the landlord engaged in prohibited billing  
15 practices in deliberate violation of this chapter, the penalty mentioned in the preceding  
16 sentence shall be two hundred dollars, and the court shall also award attorneys' fees to  
17 the tenant.

18 3. No late fees or interest charges shall accrue on any disputed portions of a bill  
19 while the amount is being resolved by the Hearing Examiner or court, and no collection  
20 activity related to the disputed portions of a bill may be instituted against a tenant that has  
21 filed a complaint with the Hearing Examiner or instituted a civil action in accordance  
22 with this chapter.



1           4.       A landlord shall not pass on, charge, or otherwise allocate to tenants, in any  
2           manner whatsoever, any damages, fine or penalty (including attorneys' fees) that the  
3           landlord is ordered to pay under this chapter.

4           C.       The existence of an unresolved or pending billing dispute does not relieve a tenant of its  
5           obligation to pay in a timely fashion all undisputed charges, including those undisputed charges that  
6           accrue after the dispute resolution procedures of this chapter have been invoked.

7  
8           Section 2. In consultation with Seattle Public Utilities, the Department of Executive  
9           Administration's Revenue and Consumer Affairs division shall, within 180 days of the effective date of  
10          this ordinance, present to Council a proposal for a meter testing program and an associated cost-recovery  
11          based fee to satisfy the meter testing requirements established in this ordinance. This proposal shall also  
12          include recommendations regarding alternative approaches to regulation of submetering, including  
13          allowing use of only certain approved meters or metering technologies, establishing minimal operational  
14          standards for meters, and requiring regular testing of all installed meters.

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16          Section 3. The provisions of this chapter shall take effect February 1, 2004 ("Effective Date").  
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Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, and signed by me in open session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Gregory J. Nickels, Mayor

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
City Clerk

(Seal)



To Whom It May Concern:

**Re: Viterra Energy Services Billing Procedures**

I cannot stay for the meeting, but I wanted to describe a troubling aspect of the bills from Viterra Energy Services, which services the Westhaven Apartments in West Seattle, where I reside. These bills come from California, the payments must be sent back to California, less than a month is given to make payment, and the late fee is \$10.00, even though the bill can be as low as, e.g., \$8. This seems an exorbitant late fee even when bills are legitimately late, and I do not believe adequate time is given. At Christmas time, when I was out of town for only a few days, it actually was impossible to pay the bill on time (I refused to pay the associated late fee). Even small bills must be juggled when one is in school as well as working, as I have been for most of the time I resided here, and with the abbreviated amount of time given to pay these bills (I've noted a couple of times when paying what the issue date of the bill was and what date I had actually received it; there is often a noticeable delay), this appears like a deliberate attempt by the company to increase its profits through late fees. I believe I have seen a case in California where this kind of behavior was ruled illegal on the part of a bank or credit card company. I would like to know what can be done about this, since we have no choice in the company that provides our services. I can be reached during the day at (206) 223-4770. Thank you very much.

  
Kerry Lusignan  
2401 SW Holden St., Apt L305  
Seattle, WA 98106



PUBLIC HEARING SIGN-UP SHEET

Subject: THIRD PARTY UTILITY BILLING

Date: 5/19/03

INFORMATION ON THIS SIGN-UP SHEET IS PUBLIC RECORD

#	(PLEASE PRINT) NAME	ORGANIZATION	(OPTIONAL) ADDRESS	ZIP	(OPTIONAL) PHONE/FAX
1.	JAMES F KELLY	SELF	P.O. Box 12865 SEA	98111	206-682-4673
2.	Christina Buelc	none	418 E. Lauretta Pl. #107 Seattle, WA	98102	206-323-9359
3.	Jennifer Hildebrand	RHA	917 243rd Pl SE Sammamish	98075	206-283-0816
4.	<del>Tommy</del> Tomassen	self	80 box 2342 Boyd Pl SW	98116	206 604 2776
5.	Kit Dizotell	self	931 S.W. Holden, Seattle	98106	206-262-8553
6.	Michael McAfee	SELF	1000 8th Ave. 10th fl	98104	206-250-8775
7.	Laura Lockard	Self	801 Pine St #14-f	98101	206-852-6088
8.					
9.					
10.					
11.					
12.					
13.					

PUBLIC HEARING SIGN-UP SHEET

Subject: THIRD PARTY UTILITY BILLING

Date: 5/19/03

INFORMATION ON THIS SIGN-UP SHEET IS PUBLIC RECORD

#	(PLEASE PRINT) NAME	ORGANIZATION	(OPTIONAL) ADDRESS	ZIP	(OPTIONAL) PHONE/FAX
1.	Cathleen Carr Ph.D.	Org	2251 NE Blakeley #202	98105	206.527.4740
2.	Reita Wood	Self	801 Spring Bldg 13 Seattle	98104	206.358-7264 (day)
3.	Donald Nelson	Self	8719 So. 113 <sup>rd</sup> St Apt 201 Seattle	98178	206 772 1697
4.	Bill Karc	Self	1454 E. Harrison #101	98112	206 405-4506 (day)
5.	Eric Shwartz	Self RHA-TS	6000 University St. #208 Seattle WA	98101	
6.	Erin Willic	NSAAR/ National Utility Party	1241 E. Olive Road #250 Seattle WA 98108	98105	777-445-6370
7.	TERRY PARKHURST	<del>NSAAR</del> <del>WA</del> <del>REVENUE</del>	5500 N.E. RAVENNA BLVD #33 Seattle WA	98115	206-525-7024
8.	ELLEN M ANDERSON	Retired (48 yrs in Dept account)	1000 E. Boston St #30	98102-4100	322-1008
9.					
10.					
11.					
12.					
13.					

PUBLIC HEARING SIGN-UP SHEET  
C.B. 114691: Third Party Billing

INFORMATION ON THIS SIGN-UP SHEET IS PUBLIC RECORD  
(PLEASE PRINT)

September 22, 2003, 5:30 p.m.

#	NAME	ORGANIZATION	(OPTIONAL) ADDRESS	ZIP	(OPTIONAL) PHONE	(OPTIONAL) FAX
1.	BILL AVOTIN					
2.	KARI ANDERSON	EPIC ASSESMENT INC	2133 3RD AVE STE 200	98121		
3.	KIP WHITE	EQUIT RESIDENTIAL	"	98108		
4.	Jennifer Hildebrand	RHTA		98112		
5.	Bart Flora	Cornell Assoc		98075		
6.	Vince Mullady	Mullady Development		98102		
7.	EWING STRANGFELLOW	Broomhough apt	101 W. Olympic Pl - Seattle	98112		
8.	Marc Trethler	NSVAA + Viterro	7313 Burwood 50 SA	98119		
9.	Eric Smith	Paragon		92121	858-737-2743	
10.	Charlie Spaeth					
11.	Donald Nelson					
12.	JACQUE CUITTE	TELEPRO		98128		
13.	Charles Royal			48004	425-818-8911	
14.	<del>Erin L. Miller</del>			98102		
15.	<del>Erin L. Miller</del>			98102		



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STATE OF WASHINGTON – KING COUNTY

--SS.

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165390  
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

**Affidavit of Publication**

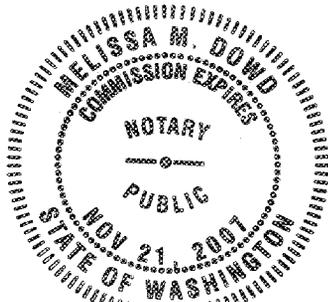
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121320 ORD IN FULL

was published on

11/19/2003



Affidavit of Publication

*James P. [Signature]*

Subscribed and sworn to before me on

11/19/2003

*Melissa Dowd*

Notary public for the State of Washington,  
residing in Seattle

