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.

<table>
<thead>
<tr>
<th>COMPTROLLER FILE No.</th>
<th>Introduced: 8 - 2003</th>
<th>By:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referred:</td>
<td>SEP 8 - 2003</td>
<td>To:</td>
</tr>
<tr>
<td>Referred:</td>
<td></td>
<td>To:</td>
</tr>
<tr>
<td>Referred:</td>
<td></td>
<td>To:</td>
</tr>
<tr>
<td>Reported:</td>
<td>11-3-03</td>
<td>Second Reading:</td>
</tr>
<tr>
<td>Third Reading:</td>
<td>11-3-03</td>
<td>Signed: 11-3-03</td>
</tr>
<tr>
<td>Presented to Mayor:</td>
<td>11-4-03</td>
<td>Approved</td>
</tr>
<tr>
<td>Returned to City Clerk:</td>
<td>11-10-03</td>
<td>Published</td>
</tr>
<tr>
<td>Vetoed by Mayor:</td>
<td>Veto Published:</td>
<td></td>
</tr>
<tr>
<td>Passed over Veto:</td>
<td>Veto Sustained:</td>
<td></td>
</tr>
</tbody>
</table>

Honorable President:

Your Committee on ________________ report that we have considered the matter to which was referred the within Council Bill No. and do hereby recommend that it be passed as amended.

Pass as amended

Hold 2 weeks for Full Council

10-27-03 Held

11-3-03 Passed as
The City of Seattle--Legislative Department

REPORT OF COMMITTEE

The President:

Committee on

was referred the within Council Bill No. ____________

that we have considered the same and respectfully recommend that the same:

as amended 5-0 (HC, RM, PS, JN, NL)

2 weeks for Full Council Action

2-03 Held

03 Passed As Amended 8-0-1 (Disqualified: Drago)

Committee Chair

[Signature]

[Attachment]

[Notes]
ORDINANCE 12/320

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.

WHEREAS, many utility services provided to residential multi-unit buildings in the City of Seattle are 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

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

WHEREAS, with increasing frequency, residential landlords and property owners are recouping utility 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

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

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

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

WHEREAS, provisions requiring disclosure of significant information concerning billing of master 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 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;
NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

Chapter 7.25

THIRD PARTY BILLING REGULATION

7.25.010 Short title and purpose.

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

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

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

As used in this chapter:

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

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

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

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

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

F. "Multi-unit building" refers to a residential building or group of buildings (which may include a mobile home park or boat moorage) with 3 or more tenant units with a master metered utility
service or unmetered utility service, such as solid waste collection, that is provided to the building or

group of buildings as a whole.

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

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

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

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

K. “Tenant” means a “tenant” as defined in and within the scope of RCW 59.18.030 and RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed, and shall also mean a tenant of a mobile home park or boat moorage. At the time of passage of the ordinance codified in this
chapter, the RLTA defined “tenant” as “any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement.”

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

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

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

7.25.030 Prohibited billing practices.

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

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

C. As of the effective date of this ordinance, no landlord may disclose to a third party billing agent a tenant’s personally identifiable information under any circumstances, provided, however, that nothing in this chapter shall prevent a landlord from disclosing a tenant’s name and address to a third party billing agent for the purpose of engaging in permitted billing practices.
D. A third party billing agent who prior to the effective date of this ordinance has obtained any tenant's personally identifiable information (other than name and address) shall not use, sell, convey, or otherwise disclose that personally identifiable information to any other person, except as expressly permitted in this chapter, and must destroy all such information upon a tenant's request, when the tenancy terminates and the account is paid, or when the landlord terminates the third party billing agency relationship.

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

7.25.040 Billing requirements.

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

1. Notice Billing practices may be adopted only upon advance written notice to a tenant as part of a new or renewed rental agreement. Tenants must receive such written notice at least 90 days before expiration of their rental agreements, or, in the case of month-to-month tenancies, at least 90 days before any such billing practices may become effective. Notwithstanding the foregoing two sentences, if billing practices are already in place at the time the ordinance codified in this chapter becomes effective, written notice must be given within 30 days of the effective date of the ordinance codified in this chapter.
2. **Methodology** The notice required under section A.1 above must include a copy of this chapter and a detailed written disclosure of the methodology used by the billing agent to allocate the charges to each tenant, including the methodology used to allocate utility services for common areas of the building, along with all other terms and conditions of the billing arrangement. If submetering is used, the notice required under section A.1 shall also include descriptions of the location of the submeter and of the access requirements, if any, required by the landlord for access to tenant units for submeter installation, reading, repair, maintenance, or inspections, including removal of the submeter for testing, consistent with the provisions of RCW 59.18.150 of the RLTA. An additional written notice must also be given at least 30 days prior to the due date of the next rental payment in order to implement a change in billing agents, apportionment methodology, fees, or other terms and conditions of the billing arrangement.

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

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

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

4. **Limitations on Charges** The total of all charges for any utility service included in
the bills sent to all units cumulatively shall not exceed the amount of the bill sent by the
utility itself for the building as a whole, less any late charges, interest or other penalties
owed by the landlord, with the exception of the following, which may be included in each
bill covering an independent unit within the multi-unit building:
a. A service charge of no more than $2 per utility per month, not to exceed a cumulative service charge of $5 per month for all the utilities included in any bill.

b. Late payment charges of no more than $5 per month plus interest at a rate not to exceed 1% per month, which late payment charge shall not accrue until at least 30 days after the tenant receives the bill.

c. Insufficient funds check charges for dishonored checks, not to exceed $31 per dishonored check.

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

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

a. Include the name, business address & telephone number of the billing entity;

b. Identify and show the basis for each separate charge, including service charges and late charges, if any, as a line item, and show the total amount of the bill;

c. If the building units are submetered, include the current and previous meter readings, the current read date, and the amount consumed (or
estimated to have been consumed if Seattle Public Utilities or Seattle City Light has provided the landlord with an estimated bill);

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

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

9. **Submetering.** Submetering is permitted as a way of allocating master metered utility services to tenants provided the following conditions are met:
   a. The submeters must be read prior to each billing.
   b. A landlord may not enter a unit without, and a tenant may not unreasonably withhold, consent to enter the unit in order to perform submeter installation, reading, repair, maintenance, and inspection, including removal of the submeter for testing, provided, however, that a landlord may enter a unit without a tenant's consent in the case of a submeter leak or emergency related to that unit's submeter.
c. If a tenant contests the accuracy of the submeter, the tenant shall have the option of demanding an independent test of the meter through the Consumer Affairs Division of the Department of Executive Administration. If the meter reads within a 5% range of accuracy, the tenant requesting the test shall pay the cost of the meter test. If the meter reads outside a 5% range of accuracy, the landlord shall pay for the cost of the meter test and within 30 days refund any overpayments for the past three months based on a recalculation of the past year’s billings by correcting for the inaccuracy of the submeter. Submetering thereafter shall only be permitted with a repaired submeter.

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

7.25.050 Dispute resolution and remedies.

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

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

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

4. The tenant and Responsible Entity shall continue to discuss in good faith any remaining disputed amounts and attempt to reach an agreement on the amount due, if any, within 60 days of the Responsible Entity’s receipt of notice of a billing dispute. If a tenant is unable to reach a satisfactory resolution of any portion of a disputed charge within the allotted time, the tenant may exercise any of the remedies set forth in Section B below or any other available remedies, provided, however, that if within 120 days of the Responsible Entity’s receipt of notice of a billing dispute, the tenant has not either exercised one of the remedies set forth in Section B or paid the remaining disputed amounts, the landlord may exercise any legal or equitable remedies available to it to collect the unpaid amounts, and provided further that nothing in this subsection shall be construed to deprive a landlord of its right to exercise any legal or equitable remedies available to it against a tenant that has not paid any undisputed charges, has not followed the procedures set forth in this section, or has not exercised good faith in disputing a charge.
B. If a tenant believes that it has been or will be subject to billing practices that violate any provision set forth in this chapter, the tenant may, at its option, file a complaint against the landlord with the Office of the Hearing Examiner or institute a civil action against the landlord, as follows:

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

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

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

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

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

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

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

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 21st day of November, 2003 and signed by me in open session in authentication of its passage this 3rd day of November, 2003.

[Signature]
President [Name] of the City Council

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

[Signature]
Gregory J. Nickels, Mayor

Filed by me this 13th day of November, 2003.

[Signature]
City Clerk

(Seal)
ORDINANCE

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.

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

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

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

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

WHEREAS, provisions requiring disclosure of significant information concerning third party billing of master 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 of utilities; and

WHEREAS, tenants and occupants of individual units currently have little or no recourse by which they can dispute or inquire about third party bills or can challenge third party 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 third party billing and to review whether the provisions of this ordinance have provided a sufficient degree of consumer protection for tenants and reasonable requirements for landlords;
NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

Chapter 7.25

THIRD PARTY BILLING REGULATION

7.25.010 Short title and purpose.

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

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

7.25.020 Definitions.

As used in this chapter:

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

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

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

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

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

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

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

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

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

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

7.25.040 Third party billing requirements.

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

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

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

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

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

   a. A service charge of no more than $2 per utility per month, not to exceed a cumulative service charge of $5 per month for all the utilities included in any third party billing.

   b. Late payment charges of no more than 1% per month, which shall not accrue until at least 30 days after the tenant receives the bill.
c. Insufficient funds check charges for dishonored checks.

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

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

   a. Include the name, business address & telephone number of the third party billing agent;

   b. Identify and show the basis for each separate charge, including service charges and late charges, if any, as a line item, and show the total amount of the bill;

   c. Show taxes, any tax percentage rate from which the taxes are calculated, and the total taxed amount;

   d. If the building units are submetered, include the current and previous meter readings, the current read date, and the amount consumed;

   e. 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;

   f. Identify a telephone number for billing inquiries and disputes, and describe the process used to resolve disputes related to third party bills as set forth in this chapter; and
g. Display the Washington license identification number assigned to the third party billing agent.

7. Protection of Personally Identifiable Information

a. A third party billing agent shall take such actions as are necessary to protect personally identifiable information and to prevent its use or disclosure except as expressly permitted in this chapter.

b. A third party billing agent may disclose personally identifiable information only to the extent necessary to render its third party billing services.

c. To the extent required by federal, state, or local law, a third party billing agent may disclose personally identifiable information (i) pursuant to a subpoena or valid court order authorizing such disclosure, or (ii) to a governmental entity.

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

a. The submeters must be read prior to each third party billing.

b. If a tenant contests the accuracy of the submeter, the tenant shall have the option of demanding an independent test of the meter through the Consumer Affairs Division of the Department of Executive Administration. If the meter reads within a 5% range of accuracy, the tenant requesting the test shall pay the cost of the meter test. If the meter reads outside a 5% range of accuracy, the building owner or manager shall pay for the cost of the meter test and within 30 days refund any
overpayments for the past one year based on a recalculation of the past year’s billings by correcting for the inaccuracy of the submeter.
Submetering thereafter shall only be permitted with a repaired submeter.

7.25.050 Dispute resolution and remedies.
A. A dispute regarding the amount of charges or other terms and conditions contained in a third party bill shall be resolved as follows:
1. The tenant must notify the third party billing agent of the nature of and reason for the dispute by calling the number shown on the bill or by writing a letter to the third party billing agent within 30 days of receiving the bill.
2. Within 30 days of receiving notice of a billing dispute, the third party billing agent must contact the tenant to discuss the dispute. The billing agent and tenant shall determine the amount of disputed and undisputed charges, and the tenant must pay all reasonable and undisputed charges within 30 days of reaching agreement with the billing agent.
3. No late fees or interest charges shall accrue on any disputed portions of a bill while the amount is being resolved, and no collection activity may be instituted against a tenant that has notified the third party billing agent of a dispute in accordance with this chapter.
4. The tenant and third party billing agent shall continue to discuss any remaining disputed amounts and attempt to reach an agreement on the amount due, if any. If a tenant is unable to reach a satisfactory resolution of any portion of a disputed charge, it
may exercise any of the remedies set forth in Section B below or any other remedies available to the tenant.

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

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

2. In the alternative, a tenant may institute a civil action against the landlord. Upon a finding that a landlord has instituted third party billing practices that violate this chapter, the court shall award actual damages, attorneys’ fees, and a penalty of one hundred dollars, and may permit the tenant to terminate the rental agreement by written notice in accordance with RCW 59.18.090. If the court determines that the landlord instituted prohibited third party billing practices in deliberate violation of this chapter, the court shall impose a penalty of two hundred dollars.
3. No late fees or interest charges shall accrue on any disputed portions of a bill while the amount is being resolved by the Hearing Examiner or court, and no collection activity may be instituted against a tenant that has filed a complaint with the Hearing Examiner or instituted a civil action in accordance with this chapter.

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

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.

WHEREAS, many utility services provided to residential multi-unit buildings in the City of Seattle are 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

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

WHEREAS, with increasing frequency, residential landlords and property owners are recouping utility 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

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

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

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

WHEREAS, provisions requiring disclosure of significant information concerning billing of master 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 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 and to review whether the provisions of this ordinance have provided a sufficient degree of consumer protection for tenants and reasonable requirements for landlords;
NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

Chapter 7.25

THIRD PARTY BILLING REGULATION

7.25.010 Short title and purpose.

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

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

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

As used in this chapter:

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

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

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

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

E. “Multi-unit building” refers to a residential building or group of buildings with 3 or more tenant units with a master metered utility service or unmetered utility service, such as solid waste collection, that is provided to the building or group of buildings as a whole.
F. “Personally identifiable information” means specific information about a tenant, including but not limited to the tenant’s social security number, birth date, mother’s maiden name, utility usage, banking data or information, or any other personal or private information.

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

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

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

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

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

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

7.25.030 Prohibited billing practices.

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

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

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

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

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

7.25.040 Billing requirements.

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

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

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

3. Posting of Information

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

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

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

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

a. A service charge of no more than $2 per utility per month, not to exceed a
cumulative service charge of $5 per month for all the utilities included in any
bill.
b. Late payment charges of no more than $5 per month plus interest at a rate not to exceed 1% per month, which late payment charge shall not accrue until at least 30 days after the tenant receives the bill.

c. Insufficient funds check charges for dishonored checks, not to exceed $31 per dishonored check.

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

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

a. Include the name, business address & telephone number of the billing entity;

b. Identify and show the basis for each separate charge, including service charges and late charges, if any, as a line item, and show the total amount of the bill;

c. If the building units are submetered, include the current and previous meter readings, the current read date, and the amount consumed (or estimated to have been consumed if Seattle Public Utilities or Seattle City Light has provided the landlord with an estimated bill);
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
to a subpoena or valid court order authorizing such disclosure, or (ii) to a governmental entity.

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

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

a. The submeters must be read prior to each billing.

b. A landlord may not enter a unit without, and a tenant may not unreasonably withhold, consent to enter the unit in order to perform submeter installation, reading, repair, maintenance, and inspection, including removal of the submeter for testing, provided, however, that a landlord may enter a unit without a tenant’s consent in the case of a submeter leak or emergency related to that unit’s submeter.

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

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

7.25.050 Dispute resolution and remedies.

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

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

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

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

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

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

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

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

3. No late fees or interest charges shall accrue on any disputed portions of a bill
while the amount is being resolved by the Hearing Examiner or court, and no collection
activity related to the disputed portions of a bill may be instituted against a tenant that has
filed a complaint with the Hearing Examiner or instituted a civil action in accordance
with this chapter.
4. A landlord shall not pass on, charge, or otherwise allocate to tenants, in any manner whatsoever, any damages, fine or penalty (including attorneys’ fees) that the landlord is ordered to pay under this chapter.

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

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

Section 3. The provisions of this chapter shall take effect February 1, 2004 ("Effective Date").
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
# | (PLEASE PRINT) NAME | ORGANIZATION | (OPTIONAL) ADDRESS | ZIP | (OPTIONAL) PHONE/FAX
--- | --- | --- | --- | --- | ---
1. | James E. Kelly | Self | PO Box 12865 Sea | 98111 | 206-482-4178
2. | Christina Bueh | None | 478 E. Lorette Pl., #107 Seattle, WA | 98102 | 206-323-9359
3. | Jennifer Hildebrand | RHA | 9622 24th Pl. SE, Rainier Beach, WA | 98116 | 206-253-0816
4. | | Self | 1000 2nd Ave., Seattle, WA | 98104 | 206-687-8775
5. | Kit Dizolli | Self | 931 S.W. Holden, Seattle | 98106 | 206-262-6553
6. | Michael McCarroll | Self | 801 Pine St., #14-F | 98101 | 206-875-9088
# | (PLEASE PRINT) NAME | ORGANIZATION | (OPTIONAL) ADDRESS | ZIP | (OPTIONAL) PHONE/FAX |
---|-------------------|--------------|---------------------|-----|-------------------|
1. | Calleen Carr Ph.D. | Def | 2281 NE Blakeley, #202 | 98105 | 206.527.4770 |
2. | Reita Wood | Doct | 801 Spring Blvd, Suite 3 | 98104 | 206.358.7364 (day) |
3. | Donald Nelson | self | 8719 S. 118th St, Apt 201 | 98178 | 206.772.1667 |
4. | Bill Karp | self | 1454 E. Hendrix, #100 | 98112 | 206.405.1526 (day) |
5. | Eric Smith | self | 2451 University #200 | 98101 | |
7. | Terry Parkehurst | self | 550 N. E. Ravenna Blvd, Suite 5 | 98115 | 206-525-7024 |
8. | Ellen M. Anderson | Retired (40 years, resident) | 1000 E. Boston St, #30 | 98103-4100 | 322-1008 |
<table>
<thead>
<tr>
<th>#</th>
<th>NAME</th>
<th>ORGANIZATION</th>
<th>(OPTIONAL) ADDRESS</th>
<th>ZIP</th>
<th>(OPTIONAL) PHONE</th>
<th>(OPTIONAL) FAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Brian C Boyle</td>
<td>Wellspring Windows</td>
<td>6333 Governor</td>
<td>92056</td>
<td>858-735</td>
<td>888-824-0901</td>
</tr>
<tr>
<td>16</td>
<td>Karen Erlandson</td>
<td>Essex Property Trust</td>
<td>2210 Clarendon</td>
<td>91237</td>
<td>918-237-2110</td>
<td>800-78-8949</td>
</tr>
<tr>
<td>17</td>
<td>Joe Carpenter</td>
<td>Essex Property Trust</td>
<td>2400 4th Ave</td>
<td>98121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Eric Smith</td>
<td>Self</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Kerry Lusignan</td>
<td>Tenant, no organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 12th 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

was published on

11/19/2003

Subscribed and sworn to before me on

11/19/2003

Notary public for the State of Washington, residing in Seattle
entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement.

4. "Billing practices" refers to the practices of a landlord or third-party billing agent, as defined herein, that bill a tenant for the purpose of appraising tenants' utility services provided in the building单元, either by directly billing tenants or by otherwise apportioning a utility service among tenants, and also to any practices related thereto, including limited to collecting, using, or disclosing tenants' personally identifiable information other than name and address; arranged for unpaid accounts from tenants, evicting tenants' credit, and reporting tenants' credit and reporting tenants' identity.

a. A third-party billing agent who prior to November 1, 2003, obtained a tenant's personally identifiable information other than name and address, arranged for unpaid accounts from tenants, evicting tenants' credit, and reporting tenants' credit shall cease such billing practices immediately.

b. The tenants who have suffered from such billing practices shall be entitled to receive damages as provided in the applicable law.

c. The tenants who have suffered from such billing practices shall be entitled to receive damages as provided in the applicable law.

PETER STEINBRÜCK,
President of the City Council
Approved by the this 19th day of November, 2003.

GREGORY J. NICKELS,
Mayor
Filed by the this 19th day of November, 2003.

JUDITH PIPPIN,
City Clerk
Publication ordered by Judith Pippin, City Clerk