

DURING CLOSING WHICH UTILITIES ARE PAID OFF?



Did you know escrow companies are only responsible to pay off lienable utilities?

You may ask, what constitutes a utility lien?

- When utility bills are not paid, a utility company that is run by the government can attach a lien to the property.
- Some utility companies are not run by the government, they cannot attach a lien for unpaid utilities and will have to pursue the unpaid debt through a collection agency.

Utility liens that will be paid at closing:

- Water (billed by city/district)
- Sewer (billed by city/district)
- Garbage (only City of Kirkland)
- Seattle City Light (City of Seattle). It can take the City of Seattle up to 8 months to send the final utility reading, escrow will collect and pay an estimated amount. Once the final reading has been received and paid, the remaining balance will be sent to the seller by Seattle City Light.
- Tacoma Public Utilities and Pierce County Sewer will not issue a final until after closing. They will not accept payments in the amount of the estimated quotes they provide. There is a 24-72 hour response time for them to provide Escrow with a final. They do not accept rush request from Escrow.



Non-lienable utilities that won't be paid at closing through Escrow, but must be paid by the Seller:

- PSE
- Waste Management/Recology Cleanscapes
- Cable/Satellite
- Phone
- Security Companies
- PUDs (all PUDs)

Note:

Escrow will pay the utility company exactly what they are asking based on their calculated usage to the day of closing. Utilities are not prorated by Escrow at Closing as they're based on usage.

Escrow is responsible for:

- Requesting estimated final bill from provider.
- At closing, pay the estimated final bill.
- Note: Not all utility companies will provide escrow with a final. Those that do not will refund you direct, if they have collected overage.

Broker, Seller and Buyer responsibilities are:

- Broker:
 - Provide completed Form 22K Addendum for escrow to use.
 - Undisclosed utilities will be deemed waived. Sellers will be responsible to contact the utility company to pay their final bill. It's important to disclose all lienable utilities as some utility companies will require the seller to pay utilities through the date they're calling and not the actual closing date.
- Seller: Call to close your utility account.
- Buyer: Call to set up your utility account. If you are notified of an outstanding, bill call escrow right away. It is likely that a check is in processing, but we would like to call and confirm.

Please note: Escrow cannot close or set up your utility account.

Every Experience Matters.