

SUMMARY STATEMENT

Von Wandruszka v. City of Moscow

Docket Nos. 50471 / 50472

In this consolidated appeal, the Supreme Court reviewed the City of Moscow's (the "City") revised utility billing process for water services, which made property owners responsible for their tenants' unpaid utility bills. Brenda and Ray von Wandruszka, along with their business partner, Robert R. Davis (the "Plaintiffs"), own rental properties and personal residences in Moscow, Idaho, affected by the new city ordinance. They claim the City forced them to sign contracts under duress by which they agreed to become guarantors for their tenants' unpaid water bills, or else their services would be terminated.

The Plaintiffs filed a lawsuit against the City, maintaining that under this Court's decision in *City of Grangeville v. Haskin*, 116 Idaho 535, 536, 777 P.2d 1208, 1209 (1989), "there is no statutory basis for a municipality to hold a property owner liable for the debt of a third-party tenant's water usage." After cross-motions for summary judgment were filed, the district court agreed with the Plaintiffs, concluding that the City was not authorized to recover a tenant's unpaid utility charges from a property owner. However, the district court also ruled that the City was authorized to require owner-occupied properties to enter into an agreement to pay for the water they consume. Both parties appealed the split summary judgment awards.

On appeal, the Supreme Court affirmed in part and reversed in part. The Court first rejected the district court's conclusion that the agreements were secured under duress. It then concluded that the Court's plurality decision in *City of Grangeville* did not create a blanket prohibition against holding landlords responsible for a tenant's utility payments. Thus, written agreements can be an acceptable means for a city operating a public utility to protect itself from delinquent bills. However, when examining the specific utility billing agreements imposed by the City in the case, the Court concluded that because the agreements lacked any description of how the liens worked, they were too vague to enforce. Thus, the Plaintiffs were entitled to summary judgment as a matter of law.

******This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.******