

HOUSE BILL REPORT

ESB 6028

*As Passed House
March 3, 1992*

Title: An act relating to municipal water conservation programs.

Brief Description: Authorizing cities and towns to issue revenue bonds for financing water conservation programs.

Sponsor(s): Senators Barr, Madsen, Williams and Erwin; by request of Jnt Sel Com on Water Resource Policy.

Brief History:

Reported by House Committee on:
Local Government, February 28, 1992, DP;
Passed House, March 3, 1992, 96-0.

**HOUSE COMMITTEE ON
LOCAL GOVERNMENT**

Majority Report: *Do pass.* Signed by 15 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Nelson; Rayburn; Roland; Wood; Wynne; and Zellinsky.

Staff: Steve Lundin (786-7127).

Background:

Article VIII, Section 7, of the state constitution prohibits any local government from lending its credit or giving money to anyone except for the necessary support of the poor and infirm.

In 1979, the 70th Amendment to the state constitution was approved by state voters permitting any local government that is engaged in the sale or distribution of energy to use money or credit derived from the sale of energy to assist the owners of residential structures in financing energy conservation or more efficient energy use. The provisions of this amendment became ineffective as of January 1, 1990. Enabling legislation was enacted permitting various local governments, including cities and towns, to issue bonds or warrants for energy conservation purposes.

In 1988, the 82nd Amendment to the state constitution was approved by state voters. This amendment amended the 70th Amendment by: (1) Deleting the language ending the energy conservation program on January 1, 1990; and (2) removing the restriction that the energy conservation program only could be for residences.

In 1989, the 86th Amendment to the state constitution was approved by state voters. This amendment amended the 82nd Amendment by permitting local governments that were engaged in the sale or distribution of water to finance water conservation with the use of moneys derived from those operations.

Summary of Bill:

The statute permitting cities and towns to engage in energy conservation is amended to:

- o Permit loans to be made for the conservation or more efficient use of water; and
- o Permit evidences of indebtedness, other than revenue bonds or warrants, to be issued for either energy or water conservation purposes.

Counties are authorized to engage in a variety of water conservation measures and to issue revenue bonds for water conservation purposes.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Cities and counties need the express authorization in statute to engage in water conservation activities similar to energy conservation activities that are currently authorized.

Testimony Against: None.

Witnesses: Henry Yates, Seattle Water Department; Greg Hanan, Tacoma Public Utility; and Paul Parker, Washington State Association of Counties.