

SENATE BILL REPORT

ESB 5544

AS PASSED SENATE, MARCH 13, 1993

Brief Description: Financing street utilities.

SPONSORS: Senators Hargrove, Owen and Snyder

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Vognild, Chairman; Loveland, Vice Chairman; Skratek, Vice Chairman; Barr, Drew, Haugen, Nelson, Oke, Prince, M. Rasmussen, Sheldon, von Reichbauer, and Winsley.

Staff: Jeff Doyle (786-7322)

Hearing Dates: February 24, 1993; March 1, 1993

BACKGROUND:

In 1990, the Legislature authorized the formation of city street utilities to generate revenues for city street maintenance, operation and preservation costs. In 1991, changes to the statute were made to clarify that these revenues could be pledged for bonds, and to add construction as a permissible use.

Under the current statute, rates charged for the use of the streets must be uniform for the same class of service, and all business and residential properties must be subject to the utility charge.

Charges imposed on businesses must be measured solely by the number of employees and shall not exceed the equivalent of \$2 per full-time employee per month.

Charges imposed against owners or occupants of residential property may not exceed \$2 per month per housing unit.

The current law does not allow cities and towns to levy the charge only on business, or only on residents.

SUMMARY:

Cities and towns may elect to levy the street utility charge only on residential properties.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This bill would allow smaller cities like Hoquiam to only charge residential units the street utility charge. A mill in Hoquiam, which employs hundreds of people, is struggling to operate. The street utility charges that the mill must pay for each of its employees creates undue financial hardship.

TESTIMONY AGAINST: None

TESTIFIED: Senator Hargrove, prime sponsor; Phyllis Shrauger, Mayor, City of Hoquiam (pro); Craig Olsen, Association of Washington Cities (pro)