SENATE BILL REPORT

SB 6486

AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, FEBRUARY 3, 1994

Brief Description: Requiring notice to affected property owners before latecomer reimbursement agreements are entered into.

SPONSORS: Senator Sutherland

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass.
Signed by Senators Sutherland, Chairman; Ludwig, Vice Chairman; Amondson, Hochstatter, McCaslin, Owen, Roach, A. Smith, Vognild, West and Williams.

Staff: Jeff Baird (786-7444)

Hearing Dates: February 2, 1994; February 3, 1994

BACKGROUND:

Municipalities are authorized to contract with real estate owners: (1) for construction of water and sewer facilities; and (2) to provide for pro rata reimbursement by owners who subsequently connect to the facilities. The period covered by such reimbursement contracts may not exceed 15 years after the initial construction. Reimbursement contracts must be recorded in the office of the county auditor of each county in which there might be subsequent users, and thus provide record notice, to be effective against anyone who subsequently connects to the facilities.

Water and sewer districts are to create reimbursement areas based upon a determination of which parcels would require reimbursement or connection charges under the statute.

SUMMARY:

The record notice provisions are augmented by: (1) a requirement of direct mail notice to owners of parcels within 100 feet of proposed facilities; and (2) provisions for such an owner to request a hearing on reimbursement charges.

References to a 1959 construction date are stricken.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

Direct mail notice eliminates the "hidden liens" that result
from mere record notice. The opportunity for hearings will
help affected property owners reveal hidden costs and charges
associated with construction, particularly indirect costs
incurred by developers.

TESTIMONY AGAINST: None

TESTIFIED: Frank Funk, retired citizen; Linda Campbell, realtor