

2 **SHB 1592** - S COMM AMD
3 By Committee on Ways & Means

4 ADOPTED 4/17/97

5 Strike everything after the enacting clause and insert the
6 following:

7 NEW SECTION. **Sec. 1.** The legislature finds that encouraging
8 water districts to better manage state water resources and encouraging
9 satellite management of failing water systems is in the best interests
10 of the people of Washington state. Continual updates of water quantity
11 and quality, as mandated by federal and state agencies, have revealed
12 that degradation of water quality exists in small water systems
13 throughout the state and that satellite management and consolidation of
14 small systems under a centralized management structure can best utilize
15 existing resources available to assure safe, clean drinking water. The
16 legislature further finds that costs involved in upgrading these small
17 systems can be extremely burdensome to water customers and public water
18 purveyors. With diminishing resources available to these small
19 systems, the legislature finds that granting business and occupation
20 and excise tax relief, under certain conditions, will assist smaller
21 water districts to meet state and federal standards.

22 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
23 to read as follows:

24 (1) This chapter does not apply to amounts received for water
25 services supplied by a water-sewer district established under Title 57
26 RCW that has been certified by the department of health as:

- 27 (a) Having less than one thousand five hundred connections; and
28 (b) Charging residential water rates that exceed one hundred
29 twenty-five percent of the state-wide average water rate.

30 (2) This chapter does not apply to amounts received for water
31 services supplied by a water system that has been certified by the
32 department of health as:

- 33 (a) Being operated or owned by a qualified satellite management
34 agency under RCW 70.116.134;
35 (b) Having less than two hundred connections; and

1 (c) Charging residential water rates that exceed one hundred
2 twenty-five percent of the state-wide average water rate.

3 (3) To receive an exemption under this section, the water system
4 shall supply to the department of health proof that an amount equal to
5 at least 90 percent of the value of the exemption shall be expended to
6 repair, equip, maintain, and upgrade the water system.

7 (4) The department of health shall certify to the department of
8 revenue the eligibility of water districts and water systems under this
9 section. In order to determine eligibility, the department of health
10 may use rate information provided in surveys and reports produced by
11 the association of Washington cities, an association of elected
12 officials, or other municipal association to estimate a state-wide
13 average residential water rate. The department of health shall update
14 the estimated state-wide average residential water rate by July 1 of
15 each year that this section remains in effect.

16 (5) This section expires July 1, 2003.

17 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.16 RCW
18 to read as follows:

19 (1) This chapter does not apply to amounts received for water
20 services supplied by a water-sewer district established under Title 57
21 RCW that has been certified by the department of health as:

22 (a) Having less than one thousand five hundred connections; and

23 (b) Charging residential water rates that exceed one hundred
24 twenty-five percent of the state-wide average water rate.

25 (2) This chapter does not apply to amounts received for water
26 services supplied by a water system that has been certified by the
27 department of health as:

28 (a) Being operated or owned by a qualified satellite management
29 agency under RCW 70.116.134;

30 (b) Having less than two hundred connections; and

31 (c) Charging residential water rates that exceed one hundred
32 twenty-five percent of the state-wide average water rate.

33 (3) To receive an exemption under this section, the water system
34 shall supply to the department of health proof that an amount equal to
35 at least 90 percent of the value of the exemption shall be expended to
36 repair, equip, maintain, and upgrade the water system.

37 (4) The department of health shall certify to the department of
38 revenue the eligibility of water districts and water systems under this

1 section. In order to determine eligibility, the department of health
2 may use rate information provided in surveys and reports produced by
3 the association of Washington cities, an association of elected
4 officials, or other municipal association to estimate a state-wide
5 average residential water rate. The department of health shall update
6 the estimated state-wide average residential water rate by July 1 of
7 each year that this section remains in effect.

8 (5) This section expires July 1, 2003."

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12 On page 1, line 2 of the title, after "systems;" strike the
13 remainder of the title and insert "adding a new section to chapter
14 82.04 RCW; adding a new section to chapter 82.16 RCW; creating a new
15 section; and providing expiration dates."

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