

HOUSE OF REPRESENTATIVES

Olympia Washington

Bill Analysis

Bill No. HB 1641

Water district authority/development charges
Brief title

Public Arg: 2/14/97

Reps. Dunn/D. Sommers/Scott
Sponsor

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BACKGROUND:

A water-sewer district may charge a property owner seeking to connect to the district water, sewer, or drainage system a reasonable connection fee. This fee, which may include interest, must be calculated so that property owners seeking to connect to the district system bear their equitable share of the cost of that system. The interest charged by the water district is to be applied from the date of construction of the system until the connection is made or for a period not to exceed 10 years whichever is shorter.

Similarly, a city or town may charge a property owner seeking to connect to its water or sewer system a reasonable connection fee. This fee, which may include interest, also must be calculated so that property owners seeking to connect to the water or sewer system bear their equitable share of the cost of that system. The interest charged by a city or town is to be applied from the date of construction of the system until the connection is made or for a period not to exceed 10 years.

The rate of interest charged by a city or town is not to exceed 10 percent per year. In addition, the aggregate amount of interest may not exceed the equitable share of the cost of the water or sewer system allocated to those property owners seeking to connect to that system.

SUMMARY:

More flexibility is provided for a water-sewer district to calculate connection charge interest on property owners seeking to connect to the district water, sewer, or drainage system. A water-sewer district no longer must choose between charging interest from the date of construction of the system until the connection is made or for a period not to exceed 10 years whichever is shorter. Instead, the water-sewer district now may charge interest from the date of construction of the system until the connection is made.

The bill is titled AN ACT Relating to conforming the authority for water system development charges with a city's authority.-

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FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is

passed.