

# SENATE BILL REPORT

## HB 2717

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As Reported By Senate Committee On:  
Agriculture & Environment, February 18, 1998

**Title:** An act relating to the implementation of House Joint Resolution No. 4209 approved by the voters in 1997.

**Brief Description:** Implementing House Joint Resolution No. 4209.

**Sponsors:** Representatives Chandler, Regala and Dunn.

**Brief History:**

**Committee Activity:** Agriculture & Environment: 2/18/98 [DP].

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### SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

**Majority Report:** Do pass.

Signed by Senators Morton, Chair; Swecker, Vice Chair; Fraser, McAuliffe, Newhouse, Oke and Rasmussen.

**Staff:** Kari Guy (786-7437)

**Background:** Article VIII, Section 7 of the Washington State Constitution generally prohibits any county, city, town, or municipal corporation from lending its credit or making a gift of public funds to any individual or company. Assistance necessary for the support of the poor or infirm is exempted from this section.

In 1997, the Legislature passed and the voters approved House Joint Resolution 4209. This joint resolution amended the Washington State Constitution to allow local governments engaged in the sale or distribution of storm water or sewer services to provide low cost financing to assist owners in acquiring and installing equipment which will conserve or allow for more efficient use of the storm water or sewer services. The low cost financing must be repaid and becomes a lien on the structure unless the assistance is considered to constitute necessary support of the poor or infirm.

Although the voters approved this constitutional amendment, implementing legislation is considered to be necessary before some local governments can provide this assistance.

**Summary of Bill:** Any local government or municipal corporation engaged in the sale or distribution of storm water or sewer services may use public money derived from operating revenues from the sale of storm water or sewer services to assist owners in financing storm water or sewer improvements. Unless the assistance is provided for the necessary support of the poor or infirm, a charge-back must be made for the assistance. The charge-back is a lien against the structure or a security interest against the equipment which is benefitted.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect on July 1, 1998.

**Testimony For:** This bill is needed to implement the constitutional amendment adopted by voters last year. This will allow water and sewer utilities to do what energy utilities currently do « offer low-interest loans to customers to upgrade equipment.

**Testimony Against:** None.

**Testified:** No one.