
SUBSTITUTE HOUSE BILL 1592

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Finance (originally sponsored by Representatives Bush, Kastama, Mulliken, Regala, K. Schmidt, McDonald, Lantz, Robertson, Chandler, Poulsen, Talcott, Backlund, McMorris, Thompson, O'Brien, Linville, Dunn and Sheldon)

Read first time 03/10/97.

1 AN ACT Relating to tax exemptions for small water districts and
2 systems; adding a new section to chapter 82.04 RCW; adding a new
3 section to chapter 82.16 RCW; creating a new section; and providing
4 expiration dates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

1 and excise tax relief, under certain conditions, will assist smaller
2 water districts to meet state and federal standards.

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

5 (1) This chapter does not apply to amounts received by a water
6 district that has been certified by the department of health as:

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

10 (2) This chapter does not apply to amounts received by a water
11 system that has been certified by the department of health as:

- 12 (a) Being operated or owned by a qualified satellite management
13 agency under RCW 70.116.134;
14 (b) Having less than two hundred connections; and
15 (c) Charging residential water rates that exceed one hundred
16 twenty-five percent of the state-wide average water rate.

17 (3) The department of health shall certify to the department of
18 revenue the eligibility of water districts and water systems under this
19 section. In order to determine eligibility, the department of health
20 may use rate information provided in surveys and reports produced by
21 the association of Washington cities, an association of elected
22 officials, or other municipal association to estimate a state-wide
23 average residential water rate. The department of health shall update
24 the estimated state-wide average residential water rate by July 1 of
25 each year that this section remains in effect.

26 (4) This section expires July 1, 2003.

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

29 (1) This chapter does not apply to amounts received by a water
30 district that has been certified by the department of health as:

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

34 (2) This chapter does not apply to amounts received by a water
35 system that has been certified by the department of health as:

- 36 (a) Being operated or owned by a qualified satellite management
37 agency under RCW 70.116.134;

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

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

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

13 (4) This section expires July 1, 2003.

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