

HOUSE BILL REPORT

HB 2146

As Amended by the Senate

Title: An act relating to contract requirements for water or sewer facilities.

Brief Description: Modifying contract requirements for water or sewer facilities.

Sponsors: Representatives Ericks, Johnson, Eddy and Liias.

Brief History:

Committee Activity:

Local Government & Housing: 2/18/09, 2/19/09 [DP].

Floor Activity

Passed House: 3/5/09, 97-0.

Senate Amended.

Passed Senate: 4/17/09, 45-0.

Brief Summary of Bill

- Extends the statutory time limit for infrastructure development reimbursement contracts, known as "latecomers agreements," from 15 to 20 years.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass. Signed by 8 members: Representatives Simpson, Chair; Nelson, Vice Chair; Angel, Ranking Minority Member; Miloscia, Springer, Upthegrove, White and Williams.

Minority Report: Do not pass. Signed by 2 members: Representatives Cox, Assistant Ranking Minority Member; Short.

Staff: Thamas Osborn (786-7129)

Background:

Cities, towns, and water-sewer districts are authorized to enter into contracts with developers and other property owners that create reimbursement procedures for the construction and/or funding of infrastructure improvements that exceed the scope or capacity necessary for a

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particular development or property. Such contracts may pertain to the construction or improvement of either street projects or water-sewer facilities.

Typically, such contracts involve situations in which a new property development necessitates the construction of additional infrastructure, and the developer agrees to provide infrastructure improvements on a scale sufficient to service the current development project as well as future development that is likely to occur in the area. In return, the contract provides that the developer will receive pro rata reimbursement from other developers or property owners who later benefit from the excess capacity provided by the infrastructure improvements. Such reimbursement agreements are limited to a period of 15 years and are often referred to as "latecomer agreements."

Summary of Bill:

The statutory time limit for infrastructure development reimbursement contracts, known as "latecomers agreements," is extended to 20 years.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment consists of a small technical revision of RCW 35.91.020(2)(a) correcting an inconsistency between subsections (1) and (2) of the statute that may have led to confusion. The amendment authorizes "latecomers agreement" contracts to be extended beyond a "twenty- year" reimbursement period, rather than the "fifteen- year" reimbursement period authorized under the current statute. This change in the contract extension provisions in subsection (2) of the statute makes that section consistent with the twenty year reimbursement period established by the bill in subsection (1).

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is a good bill since it provides a tool for encouraging infrastructure development. Municipalities need the ability to enter into latecomer's agreements and the extension of the reimbursement period to 20 years is desirable. This increases the incentive for municipalities to participate in the building of needed infrastructure.

(Opposed) None.

Persons Testifying: Eric Baker, Kitsap County.

Persons Signed In To Testify But Not Testifying: None.