

FINAL BILL REPORT

ESHB 2925

PARTIAL VETO C 199 L 10

Synopsis as Enacted

Brief Description: Concerning impact payments of a municipally owned hydroelectric facility.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Kretz, Short and Condotta).

House Committee on Local Government & Housing
House Committee on Ways & Means
Senate Committee on Government Operations & Elections

Background:

A city that owns and operates a public utility with electricity generating facilities located in another county *may* provide financial assistance to that county to compensate for the financial and social impacts of such facility on the affected community. The city and county are authorized to enter into contracts for the provision of such compensation.

After March 17, 1955, if a city either constructs hydroelectric facilities or acquires land for that purpose in another county and the hydroelectric project has impacts that negatively affect county revenues, transportation, public welfare, or local school districts, then the city must enter into a financial compensation agreement with the county and/or the affected school districts.

Summary:

A city with a population greater than 500,000 that owns and operates a public utility with electricity generating facilities in another county must provide financial compensation to that county, the municipalities within that county, and local school districts, so as to compensate for the impacts of the generating facility that negatively affect local revenues, public welfare, and/or the school districts. The financial compensation must be provided pursuant to a contract between the city owning the hydroelectric facilities and the affected county.

After March 17, 1955, a municipal utility located in a city with a population exceeding 500,000 and that has hydroelectric facilities located in another county, or that acquires land in another county for the development of such facilities, must provide financial compensation

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to the affected county. The compensation must be paid annually pursuant to an agreement between the municipal utility and the county.

When a compensation contract or agreement required under the act expires, the city or its municipal utility must continue to compensate the county under the terms of the expired contract/agreement until a new contract/agreement is executed. For contracts/agreements that have expired prior to the effective date of the act and a new contract/agreement has not been executed, the city must compensate the county or counties under the terms of the expired contract/agreement from the time of the expiration until a new contract/agreement is executed.

In the event the compensation contract/agreement expired prior to the effective date of the act, the city or its municipal utility is indebted to the county for any resulting arrearage accruing from the time of the expiration of the contract/agreement until such time as a new contract/agreement is executed by the parties. The dollar amount of such arrearage is calculated retroactively by reference to the payment terms set forth in the most recent expired compensation contract/agreement between the city or its municipal utility and the county.

In the event the compensation contract/agreement expires, or has expired prior to the effective date of the act, and the parties are unable to reach agreement within six months of such expiration, then either party may initiate arbitration proceedings. The city, or its municipal utility, is responsible for arbitration costs. However, the city and the county are each responsible for their own attorneys' fees and litigation expenses related to such arbitration proceedings.

Votes on Final Passage:

House	93	5	
Senate	48	0	(Senate amended)
House	95	2	(House concurred)

Effective: June 10, 2010

Partial Veto Summary: The effective date was changed from an immediate emergency clause to 90 days after session.