

SENATE BILL REPORT

HB 2146

As of March 23, 2009

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: Passed House: 3/05/09, 97-0.

Committee Activity: Government Operations & Elections: 3/23/09.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Staff: Edward Redmond (786-7471)

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 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 "latecomer agreements," is extended to 20 years.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.