

SENATE BILL REPORT

ESHB 2925

As of February 24, 2010

Title: An act relating to impact payments of a municipally owned hydroelectric facility.

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).

Brief History: Passed House: 2/16/10, 93-5.

Committee Activity: Government Operations & Elections: 2/25/10.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Staff: Karen Epps (786-7424)

Background: Any city owning and operating a public utility and having facilities for the generation of electricity in another county must provide for the impacts of lost revenue and the public peace, health, safety, and welfare of the county, by contributing to the support of the county, city, or town government, and the school district of that county by entering into a contract with that county. Any city constructing hydroelectric generating facilities or acquiring land for the purpose of constructing hydroelectric facilities in another county, and through this construction or acquisition causes loss of revenue or places a financial burden in providing for the public peace, health, safety, welfare, and added road maintenance in the county, or causes any loss of revenues or increases the financial burden of any school district affected by the construction must enter into an agreement with the other county and school districts for the payment of monies to compensate the county and school districts for those increased financial burdens.

Summary of Bill: Any city with a population greater than 500,000 owning and operating a public utility and having facilities for the generation of electricity in another county, must provide for the impacts of lost revenue and the public peace, health, safety, and welfare of the county, by contributing to the support of the county, city, or town government, and the school district of that county by entering into a contract with that county. In the event the contract expires prior to adoption of a new contract, the city must continue to compensate the county under the terms of the expired contract until a new contract is executed. For contracts that have expired prior to the effective date of the act and a new contract has not been executed, the city must compensate the county or counties under the terms of the expired

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contract from the time of the expiration until a new contract is executed. Additionally, the city is indebted to the county for any resulting arrearage accruing from the time of the expiration of the contract until such time as a new contract 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 between the city and the county. In the event the contract 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 the parties must follow specified arbitration procedures. The city and/or its municipal utility are responsible for all arbitration costs.

A municipal-owned utility located in a city with a population greater than 500,000 that constructs or operates hydroelectric generating facilities or acquires land for the purpose of constructing or operating a facility in another county must enter into an agreement with that county for the annual payment of monies to compensate the county for loss of revenue or increased financial burden. In the event the agreement expires prior to adoption of a new agreement, the municipal-owned utility must continue to compensate the county under the terms of the expired agreement until a new agreement is executed. For agreements that have expired prior to the effective date of the act and a new agreement has not been executed, the municipal-owned utility must compensate the county or counties under the terms of the expired agreement from the time of the expiration until a new agreement is executed. Additionally, the municipal-owned utility is indebted to the county for any resulting arrearage accruing from the time of the expiration of the agreement until such time as a new 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 between the municipal-owned utility and the county. In the event the 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 the parties must follow specified arbitration procedures. The city and/or its municipal utility are responsible for all arbitration costs.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.