
ENGROSSED SUBSTITUTE HOUSE BILL 2925

State of Washington

61st Legislature

2010 Regular Session

By House Ways & Means (originally sponsored by Representatives Kretz, Short, and Condotta)

READ FIRST TIME 02/09/10.

1 AN ACT Relating to impact payments of a municipally owned
2 hydroelectric facility; amending RCW 35.21.420 and 35.21.425; and
3 declaring an emergency.

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

5 **Sec. 1.** RCW 35.21.420 and 1965 c 7 s 35.21.420 are each amended to
6 read as follows:

7 (1) Any city owning and operating a public utility and having
8 facilities for the generation of electricity located in a county other
9 than that in which the city is located, may provide for the public
10 peace, health, safety and welfare of such county as concerns the
11 facilities and the personnel employed in connection therewith, by
12 contributing to the support of the county government of any such county
13 and enter into contracts with any such county therefor.

14 (2)(a) Any city with a population greater than five hundred
15 thousand people owning and operating a public utility and having
16 facilities for the generation of electricity located in a county other
17 than that in which the city is located, must provide for the impacts of
18 lost revenue and the public peace, health, safety, and welfare of such
19 county as concerns the facilities and the personnel employed in

1 connection therewith, by contributing to the support of the county,
2 city, or town government and school district of any such county and
3 enter into contracts with any such county therefor as specified in RCW
4 35.21.425.

5 (b)(i) In the event the contract between a county and the governing
6 body of a city with a population greater than five hundred thousand
7 people authorized or required under this section expires prior to the
8 adoption of a new contract between the parties, the city must continue
9 to make compensatory payments to the affected county pursuant to the
10 terms of the most recent expired contract until such time as a new
11 contract is entered into by the parties.

12 (ii) In the event a contract entered into under subsection (1) of
13 this section between a county and the governing body of a city with a
14 population greater than five hundred thousand people expired prior to
15 the effective date of this act, the city shall be indebted to the
16 county for any resulting arrearage accruing from the time of the
17 expiration of the contract until such time as a new contract is entered
18 into by the parties. The dollar amount of such arrearage shall be
19 calculated retroactively by reference to the payment terms set forth in
20 the most recent expired compensation contract between the city and the
21 county.

22 (c) In the event the contract between a county and any city with a
23 population greater than five hundred thousand people owning and
24 operating a public utility and having facilities for the generation of
25 electricity located in a county other than that in which the city is
26 located expires and the parties are unable to reach agreement within
27 six months of such expiration, then the parties shall follow the
28 arbitration procedures as provided in RCW 35.21.426. The city and/or
29 the municipal utility shall be responsible for all arbitration costs.

30 **Sec. 2.** RCW 35.21.425 and 1965 c 7 s 35.21.425 are each amended to
31 read as follows:

32 (1) Except as provided in subsection (2) of this section, whenever
33 after March 17, 1955, any city shall construct hydroelectric generating
34 facilities or acquire land for the purpose of constructing the same in
35 a county other than the county in which such city is located, and by
36 reason of such construction or acquisition shall (1) cause loss of
37 revenue and/or place a financial burden in providing for the public

1 peace, health, safety, welfare, and added road maintenance in such
2 county, in addition to road construction or relocation as set forth in
3 RCW 90.28.010 and/or (2) shall cause any loss of revenues and/or
4 increase the financial burden of any school district affected by the
5 construction because of an increase in the number of pupils by reason
6 of the construction or the operation of said generating facilities, the
7 city shall enter into an agreement with said county and/or the
8 particular school district or districts affected for the payment of
9 moneys to recompense such losses or to provide for such increased
10 financial burden, upon such terms and conditions as may be mutually
11 agreeable to the city and the county and/or school district or
12 districts.

13 (2)(a) Whenever after March 17, 1955, a municipal owned utility
14 located in a city with a population greater than five hundred thousand
15 people constructs or operates hydroelectric generating facilities or
16 acquires land for the purpose of constructing or operating the same in
17 a county other than the county in which the city is located must enter
18 into an agreement with the county affected for the annual payment of
19 moneys to recompense such losses, as provided under RCW 35.21.425.

20 (b)(i) In the event the agreement between a county and the
21 governing body of either a city with a population greater than five
22 hundred thousand people or a municipal utility owned by a city with a
23 population greater than five hundred thousand people, as required under
24 this section, expires prior to the adoption of a new agreement between
25 the parties, the city or utility must continue to make compensatory
26 payments to the affected county pursuant to the terms of the most
27 recent expired agreement until such time as a new agreement is entered
28 into by the parties.

29 (ii) In the event an agreement entered into under subsection (1) of
30 this section between a county and the governing body of a city with a
31 population greater than five hundred thousand people expired prior to
32 the effective date of this act, the city shall be indebted to the
33 county for any resulting arrearage accruing from the time of the
34 expiration of the agreement until such time as a new agreement is
35 entered into by the parties. The dollar amount of such arrearage shall
36 be calculated retroactively by reference to the payment terms set forth
37 in the most recent expired compensation agreement between the city and
38 the county.

1 (c) In the event the agreement required between a county and the
2 governing body of either a city with a population greater than five
3 hundred thousand people or a municipal utility owned by a city with a
4 population greater than five hundred thousand people expires, or has
5 expired prior to the effective date of this act, and the parties are
6 unable to reach agreement within six months of such expiration, then
7 the parties shall follow the arbitration procedures as provided in RCW
8 35.21.426. The city and/or the municipal utility shall be responsible
9 for all arbitration costs.

10 NEW SECTION. Sec. 3. This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of the
12 state government and its existing public institutions, and takes effect
13 immediately.

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