

HOUSE BILL REPORT

HB 1852

As Reported by House Committee On:
Local Government

Title: An act relating to the lien for collection of sewer utility charges by counties.

Brief Description: Revising the lien for collection of sewer charges by counties.

Sponsors: Representatives Kelley, McCune, Ladenburg, Kirby and Green.

Brief History:

Committee Activity:

Local Government: 1/27/12 [DPS].

Brief Summary of Substitute Bill

- Authorizes a county that operates a sewer and/or water system to impose a sewerage lien for up to six months without recording with the county auditor and authorizes the concurrent termination of water service.
- Authorizes a county that operates a sewer and/or water system to impose a sewerage lien for up to one year by resolution or ordinance without recording with the county auditor.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Takko, Chair; Fitzgibbon, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Rodne, Springer, Tharinger and Upthegrove.

Minority Report: Do not pass. Signed by 1 member: Representative Smith.

Staff: Ann Koepke (786-7291) and Ethan Moreno (786-7386).

Background:

All counties operating a water or sewer system are required to have a lien on the applicable property for delinquent charges. The lien is for all charges, interest, and penalties and

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attaches to the premises to which the services were provided. Cities and towns have the authority to impose a lien for up to six months without recording with the county auditor and may also concurrently terminate water service to the applicable property.

Summary of Substitute Bill:

The substitute bill authorizes a county that operates a sewer and/or water system to impose a sewerage lien for up to six months without recording with the county auditor and to concurrently terminate water service to the applicable property. A sewerage lien may be imposed by the county for up to one year by resolution or ordinance without recording with the county auditor. The lien includes all charges, interest, penalties, and lien recording and release fees.

Substitute Bill Compared to Original Bill:

The substitute bill specifies that in addition to all charges, interest, and penalties, lien recording and release fees are included in the lien on the applicable property.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: 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 bill simply gives counties the authority to follow the same procedure that cities and towns have. This would allow the county to impose a lien for up to six months without recording with the county auditor. Many delinquent accounts are for as little as \$20 and this six-month delay would allow the customer time to catch up with their payments without charges and penalties piling up. In reality, only a few county utilities still exist so this would not have broad impact. Title companies and escrow agents are familiar with this process as they regularly deal with city and county utilities and the title companies are in support, and it's believed the escrow agents have no objection.

(In support with amendment) This legislation is appropriate but it would be desirable to add an amendment allowing the inclusion of lien recording and release fees to the lien imposed, so that there is clear language about the fees included in the lien.

(Opposed) None.

Persons Testifying: (In support) Brynn Brady, Pierce County.

(In support with amendment) Mike Burgess, Spokane County.

Persons Signed In To Testify But Not Testifying: None.