
Local Government Committee

HB 2591

Brief Description: Regulating fire hydrant services provided by local governments.

Sponsors: Representatives Eddy, Ryu, Springer, Asay, Fitzgibbon, Stanford and Moscoso.

Brief Summary of Bill

- Authorizes water-sewer districts to acquire, construct, operate and maintain fire hydrants as part of a waterworks system and charge rates accordingly.
- Authorizes cities and towns operating waterworks systems to consider the extent of fire hydrant services provided when classifying customers or services.
- Requires the amount of rates charged to customers by a water-sewer district, city, or town for fire hydrant services to correlate with the cost of those services, and the revenue from those rates to be used for fire hydrant services.

Hearing Date: 1/25/12

Staff: Kelly Pfundheller (786-7289).

Background:

General purpose and selected special purpose local governments are authorized to provide water-related utility services. This includes, for example, cities, towns, counties, water-sewer districts, and public utility districts.

Water-sewer districts (districts) may purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district, and may develop and operate systems of sewers and drainage. Districts may also create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from the wastewater. Districts are authorized to establish rates and charges for providing water and sewer services.

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Cities and towns may provide for the sewerage, drainage, and water supply of the city or town, and may establish, construct, and maintain water supply systems and systems of sewers and drains within or without their corporate limits. Cities and towns are also authorized to establish rates and charges for providing water and sewer services. In 2002, the Legislature passed HB 2902, which expressly authorizes cities and towns operating water supply systems to include fire hydrants as an integral utility service incorporated within general rates.

In *Lane v. City of Seattle*, 164 Wn.2d 875, 194 P.3d 977 (2008), the Washington Supreme Court (Court) determined that the provision of fire hydrants is a general governmental responsibility. The Court held that financing the cost of fire hydrants through a monthly fire hydrant charge paid by water utility ratepayers is an unlawful tax that violates Article VII, Section 5 of the Washington State Constitution.

Summary of Bill:

An intent section is included.

A district is authorized to acquire, construct, operate and maintain fire hydrants as part of the district's waterworks system. A district has the same powers for imposing charges for providing fire hydrants, collecting fire hydrant service charges, and financing fire hydrant systems by issuing general obligation bonds, issuing revenue bonds, and creating improvement districts as it has for imposing charges for providing water, collecting delinquent water service charges, and financing water systems by issuing general obligation bonds, issuing revenue bonds, and creating improvement districts.

In classifying customers served or services furnished, a city or town may in its discretion consider, among other factors provided in statute, the extent of fire hydrant services provided.

For the purposes of providing, operating, and maintaining fire hydrants, districts and cities and towns operating waterworks systems function for the benefit of customers, not the general public. Fire hydrant services are integral to the water services provided to waterworks customers. The amount of the rates charged to customers by a district, city, or town for fire hydrants services must correlate with the cost of those services, and the revenue from those rates must be used for fire hydrant services.

Appropriation: None.

Fiscal Note: Requested on January 23, 2012.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.