

HOUSE BILL REPORT

ESHB 2629

As Passed House:
February 16, 2020

Title: An act relating to waiving utility connection charges for certain properties.

Brief Description: Waiving utility connection charges for certain properties.

Sponsors: House Committee on Housing, Community Development & Veterans (originally sponsored by Representatives Walen, Goodman, Springer, Macri, Slatter, Duerr, Kloba and Graham).

Brief History:

Committee Activity:

Housing, Community Development & Veterans: 1/28/20, 2/5/20 [DPS].

Floor Activity:

Passed House: 2/16/20, 70-26.

Brief Summary of Engrossed Substitute Bill

- Requires electric, water, gas, and sewer utilities, if located in a city or county in which a state of emergency has been declared related to homelessness, to waive certain utility charges for properties used to provide emergency shelter for homeless persons or victims of domestic violence and allows, but does not require, such waivers when the utility is located in a city or county in which a state of emergency related to homelessness has not been declared.

HOUSE COMMITTEE ON HOUSING, COMMUNITY DEVELOPMENT & VETERANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Ryu, Chair; Morgan, Vice Chair; Frame, Johnson, J., Leavitt and Ramel.

Minority Report: Do not pass. Signed by 3 members: Representatives Jenkin, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Barkis.

Staff: Cassie Jones (786-7303).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

Cooperative Associations and Mutual Corporations.

Cooperative Association. Any number of people may join together for the creation of a cooperative association where members participate in the cooperative's business for the mutual benefit of all the members. A cooperative association may be formed to advance any lawful business, including any agriculture, dairy, mercantile, mining, manufacturing, or mechanical business.

Mutual Corporations. Corporations and businesses that operate on a nonprofit basis may organize for any lawful purpose including but not limited to mutual, social, cooperative, fraternal, beneficial, service, labor organization, and other purposes.

Cooperative associations and mutual corporations may organize for the purpose of providing utilities. Cooperatives organized for providing electricity are known and referred to as "retail electric cooperatives."

Municipal Utilities.

Cities and towns may provide for the sewerage, drainage, and water supply of the city or town. They may also establish, construct, and maintain water supply systems and systems of sewers and drains within or without their corporate limits. Counties may establish, operate, finance, and maintain a system or systems of water supply, sewer systems, and stormwater systems within all or a portion of the county. A county also may, as part of a system of sewerage, exercise powers pertaining to stormwater, flood control, pollution prevention, and drainage services and activities.

Public Utility Districts.

A public utility district is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services.

Summary of Engrossed Substitute Bill:

The following providers of utilities, if located in whole or in part within a city or county in which a state of emergency has been declared related to homelessness, must waive connection charges for properties used to provide emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons:

- cooperatives organized for the purpose of providing electric service;
- mutual corporations organized for the purpose of providing utility service;
- municipal and county utilities;
- public utility districts; and
- gas, electrical, and water companies, which are required to waive service line charges rather than connection charges.

Mandatory waivers of connection charges or service line charges are no longer required when the property receiving the waiver is no longer operating under the eligibility requirements for such waivers. Charges that have been waived under a mandatory waiver are due at the time the waiver is no longer required.

The above-mentioned utilities, if not located within a city or county in which a state of emergency has been declared related to homelessness, may waive connection charges, or service line charges in the case of gas, electrical and water companies, for properties used to provide emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

"Connections charges" means one-time capital and administrative charges imposed by a utility on a building or facility owner for a new utility service, but does not include costs borne or assessed by a utility for the labor, materials, and services necessary to physically connect a designated facility to the respective utility service.

"Domestic violence" means the infliction or threat of physical harm against an intimate partner, and includes physical, sexual, and psychological abuse against the partner, and is a part of a pattern of assaultive, coercive, and controlling behaviors directed at achieving compliance from or control over that intimate partner.

"Homeless person" means an individual living outside or in a building not meant for human habitation or which they have no legal right to occupy, in an emergency shelter, or in a temporary housing program which may include a transitional and supportive housing program if habitation time limits exist.

"Emergency shelter" means any facility: (1) whose sole purpose is to provide a temporary shelter for the homeless and that does not require occupants to sign a lease or occupancy agreement; and (2) that is funded in whole or in part from the state omnibus capital appropriations act, state omnibus operating appropriations act, housing finance commission programs, housing authorities, or local government housing funds.

The provisions of the bill expire on July 1, 2027.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Throughout our state, people are living outside. Our cities, counties, and service providers are on the front line of addressing this emergency. Providers need the Legislature to reduce barriers to providing more shelters. This bill would waive utility connections for shelters serving the homeless and victims of domestic violence. Homelessness is an emergency that we all need to work to address. The state, cities, and counties are all increasing their efforts to address this emergency. This bill provides another tool to encourage more development of homeless shelters. Utility providers recognize that rates have increased and they provide assistance for low-income customers. Some providers say they do not have authority to waive these fees; this bill would give them the authority. The

impact to utilities will be small. Connection charges can be prohibitively expensive for shelters. These barriers should be reduced so more people can be assisted.

(Opposed) None.

(Other) Investor-owned utilities are not the target of this bill, but the bill does apply to them. The bill needs clarification on what is meant by a connection fee and whether the bill applies only to municipal utilities. This bill would be a cost shift from one consumer to another. Public utility districts provide utility assistance to income-qualified consumers. There is a need for clarity on the meaning of connection charges and which groups the bill is meant to benefit. Mandates are contrary to the governing authority of a public utility district. There are concerns from the rate payers but there are also concerns about needing to reduce costs of housing. There is a homelessness and affordable housing crisis. This bill provides what could be a commonsense approach. Emergencies end and perhaps there should be a sunset for this bill.

Persons Testifying: (In support) Representative Walen, prime sponsor; Penny Sweet, City of Kirkland; and Dan McGrady, Mary's Place.

(Other) Christine Brewer, The Avista Corporation; Clark McIsaac, Snohomish Public Utility District; and Jason Gauthier, Tacoma/Pierce County Habitat for Humanity.

Persons Signed In To Testify But Not Testifying: None.