

SENATE BILL REPORT

SB 5122

As of January 22, 2019

Title: An act relating to insurance coverage for water-sewer district commissioners.

Brief Description: Addressing insurance coverage for water-sewer district commissioners.

Sponsors: Senators Takko, Short, Honeyford and Hasegawa.

Brief History:

Committee Activity: Local Government: 1/22/19, 1/22/19 [DP].

Brief Summary of Bill

- Removes the requirement that a water-sewer district providing health, group, or life insurance to its employees have 5000 or more customers in order to provide the same insurance coverage to its commissioners.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Staff: Greg Vogel (786-7413)

Background: Water-Sewer Districts. Water-sewer districts (districts) provide water and sewer services to incorporated and unincorporated areas. District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants, and to develop and operate systems of sewers and drainage. Districts may also fix rates and charges for services, enter into contracts, levy taxes, and issue bonds.

The governing body of a district is a board of elected commissioners consisting of three members, or five or seven members in the event of an increase. Commissioners are elected to six-year terms of office.

Insurance Coverage. A district may enter into contracts to provide health care services, group insurance, term life insurance, or Social Security insurance for the benefit of its employees and may pay all or any part of the cost. Any two or more districts may join in procuring health care services, group insurance, or term life insurance, and a participating district may authorize its respective district to pay all or any part of the cost. A district with 5000 or more customers that provides health, group, or life insurance to its employees may provide its

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commissioners with the same coverage. Per person amounts for such insurance paid by the district may not exceed the per person amounts paid by the district for its employees.

Summary of Bill: The requirement that a district providing health, group, or life insurance to its employees, have 5000 or more customers in order to provide the same insurance coverage to its commissioners is eliminated.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill was seen last year and levels the playing field for water-sewer districts. Water-sewer districts are the only districts that have a population threshold for allowing this type of coverage to commissioners. The particular threshold is related to customers, so it is questionable whether the threshold is directly related to the population of the district. At a recent conference, a couple managers raised this issue. They mentioned the difficulty of attracting people to run for these offices. Commissioners are only compensated for per diem, so providing insurance coverage may help recruitment.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Joe Daniels, Washington Association of Water/Sewer Districts.

Persons Signed In To Testify But Not Testifying: No one.