

FINAL BILL REPORT

SHB 1326

C 249 L 23
Synopsis as Enacted

Brief Description: Waiving municipal utility connection charges for certain properties.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Cortes, Chopp, Berry, Duerr, Farivar, Morgan, Peterson, Ramel, Ryu, Senn, Simmons, Walen, Mena, Reed, Doglio, Pollet, Springer and Macri).

House Committee on Local Government
Senate Committee on Local Government, Land Use & Tribal Affairs

Background:

Cities and towns (cities) are authorized to acquire and operate waterworks for the provision of water to the city. The city may charge for the use of its water, but any rates that the city charges must be uniform for the same class of customers or service. The rates charged to a class must be at least the cost of the water and service.

Cities are also authorized to acquire and operate sewerage and solid waste handling facilities. Rates for these services also have to be uniform for the same class of customers or service.

In setting classifications for water or sewerage, the city can consider differences in the cost of services to customers and in maintenance and operation of the system, the location of the customers, the character of the service provided, the quantity or quality of the service supplied and the time of its use, and any other reasonable grounds for distinction. For water user classifications, cities can also consider water conservation goals and discouraging wasteful water practices, while sewerage use classifications can take into account the user's public benefit nonprofit status.

Aside from the rates that cities can charge for the use of water and sewerage services, cities can also charge connection fees. These are fees charged to property owners as a condition of being able to connect to the water or sewerage system. These can represent both the cost

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of the connection itself and a reasonable charge to ensure that the connecting property owners bear an equitable share of the cost of the system. This equitable share may include interest charges from the date of construction of the system until its connection, or up to 10 years, whichever is less. The interest rate charged may be the same interest rate that was applicable to the city at the time of the construction or of a major rehabilitation of the water system, up to 10 percent per year, though the aggregate interest imposed cannot exceed the equitable share of the cost of the system allocated to the connecting users.

Cities are authorized to provide assistance to people with low income in connection with water, sewer, solid waste, gas, and electric services operated by the city. Cities may waive or delay connection fees related to these services for people with low income under a program established by an ordinance.

Summary:

Cities are authorized to establish, by ordinance, a program to waive connection charges for connecting to a city water and sewerage system for properties owned or developed by, or on the behalf of, a nonprofit organization, housing authority, or local agency that provides emergency shelter, transitional housing, permanent supportive housing, or affordable housing. Any waived connection charges must be funded using general funds, grant dollars, or other identified revenue stream. If a property that received a waiver is no longer eligible for a waiver, any waived connection charges become immediately due and payable as a condition of continued service.

A facility provides emergency shelter if its sole purpose is to provide temporary shelter to the homeless and does not require a lease or occupancy agreement. Housing is affordable if the monthly costs for the housing, including non-telephone utilities, do not exceed 30 percent of the monthly income of a household with income of:

- 60 percent of the median income of the county in which the household is located for rental housing; and
- 80 percent of the median income of the county in which the household is located for owner-occupied housing.

Permanent supportive housing is subsidized, leased housing with no limit on the length of stay that prioritizes people at risk of, or currently experiencing, homelessness and who need support services to retain tenancy. It uses lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, and is paired with support services for disabling behavioral health or physical health conditions.

Transitional housing provides housing and supportive services to homeless persons or families for up to two years, with the goal of moving homeless persons and families into independent living.

Votes on Final Passage:

House	83	15	
Senate	45	1	(Senate amended)
House	84	12	(House concurred)

Effective: July 23, 2023