

FINAL BILL REPORT

HB 2146

C 344 L 09
Synopsis as Enacted

Brief Description: Modifying contract requirements for water or sewer facilities.

Sponsors: Representatives Ericks, Johnson, Eddy and Liias.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background:

Cities, towns, and water-sewer districts are authorized to enter into contracts with developers and other property owners that create reimbursement procedures for the construction and/or funding of infrastructure improvements that exceed the scope or capacity necessary for a particular development or property. Such contracts may pertain to the construction or improvement of either street projects or water-sewer facilities.

Typically, such contracts involve situations in which a new property development necessitates the construction of additional infrastructure, and the developer agrees to provide infrastructure improvements on a scale sufficient to service the current development project as well as future development that is likely to occur in the area. In return, the contract provides that the developer will receive pro rata reimbursement from other developers or property owners who later benefit from the excess capacity provided by the infrastructure improvements. Such reimbursement agreements are limited to a period of 15 years and are often referred to as "latecomer agreements." The contract may contain provisions allowing the extension of the reimbursement period beyond the initial 15-year period.

Summary:

The statutory time limit for infrastructure development reimbursement contracts, known as "latecomers agreements," is extended to 20 years. In addition, a reimbursement contract may provide for an extension beyond the 20-year duration of the original contract.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)

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.

House 97 0 (House concurred)

Effective: July 26, 2009