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**ENGROSSED SUBSTITUTE HOUSE BILL 2629**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** House Housing, Community Development & Veterans (originally sponsored by Representatives Walen, Goodman, Springer, Macri, Slatter, Duerr, Kloba, and Graham)

AN ACT Relating to waiving utility connection charges for certain properties; amending RCW 23.86.400, 24.06.600, 35.92.380, 36.94.140, and 54.24.080; adding a new section to chapter 35.92 RCW; adding a new section to chapter 80.28 RCW; and providing expiration dates.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 23.86.400 and 1996 c 32 s 1 are each amended to read as follows:

(1) ((~~As used in this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Attachment" means the affixation or installation of any wire, cable or other physical material capable of carrying electronic impulses or light waves for the carrying of intelligence for telecommunications or television, including, but not limited to cable, and any related device, apparatus, or auxiliary equipment upon any pole owned or controlled in whole or in part by one or more locally regulated utilities where the installation has been made with the necessary consent.

(b) "Connection charges" means the 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.

(c) "Domestic violence" has the same meaning as defined in RCW 70.123.020.

(d) "Emergency shelter" means any facility:

(i) 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

(ii) 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.

(e) "Homeless person" has the same meaning as defined in RCW 43.185C.010.

(f) "Locally regulated utility" means an electric service cooperative organized under this chapter and not subject to rate or service regulation by the utilities and transportation commission.

((~~(c)~~)) (g) "Nondiscriminatory" means that pole owners may not arbitrarily differentiate among or between similar classes of persons approved for attachments.

(2) All rates, terms, and conditions made, demanded or received by a locally regulated utility for attachments to its poles must be just, reasonable, nondiscriminatory and sufficient. A locally regulated utility shall levy attachment space rental rates that are uniform for the same class of service within the locally regulated utility service area.

(3) Nothing in this section shall be construed or is intended to confer upon the utilities and transportation commission any authority to exercise jurisdiction over locally regulated utilities.

(4)(a) A locally regulated utility located, in whole or in part, within a county or a city in which a state of emergency has been declared related to homelessness must waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(b) A locally regulated utility that is not located within a county or a city in which a state of emergency has been declared related to homelessness may waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter to homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(5) At such time as a property receiving a waiver under subsection (4)(a) of this section is no longer operating under the eligibility requirements under subsection (4)(a) of this section:

(a) The waiver of connection charges required under subsection (4)(a) of this section is no longer required; and

(b) Any connection charges waived under subsection (4)(a) of this section are immediately due and payable to the utility as a condition of continued service.

**Sec.**  RCW 24.06.600 and 1996 c 32 s 2 are each amended to read as follows:

(1) ((~~As used in this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Attachment" means the affixation or installation of any wire, cable or other physical material capable of carrying electronic impulses or light waves for the carrying of intelligence for telecommunications or television, including, but not limited to cable, and any related device, apparatus, or auxiliary equipment upon any pole owned or controlled in whole or in part by one or more locally regulated utilities where the installation has been made with the necessary consent.

(b) "Connection charges" means the 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.

(c) "Domestic violence" has the same meaning as defined in RCW 70.123.020.

(d) "Emergency shelter" means any facility:

(i) 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

(ii) 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.

(e) "Homeless person" has the same meaning as defined in RCW 43.185C.010.

(f) "Locally regulated utility" means ((~~an [a]~~)) a mutual corporation organized under this chapter for the purpose of providing utility service and not subject to rate or service regulation by the utilities and transportation commission.

((~~(c)~~)) (g) "Nondiscriminatory" means that pole owners may not arbitrarily differentiate among or between similar classes of persons approved for attachments.

(2) All rates, terms, and conditions made, demanded or received by a locally regulated utility for attachments to its poles must be just, reasonable, nondiscriminatory and sufficient. A locally regulated utility shall levy attachment space rental rates that are uniform for the same class of service within the locally regulated utility service area.

(3) Nothing in this section shall be construed or is intended to confer upon the utilities and transportation commission any authority to exercise jurisdiction over locally regulated utilities.

(4)(a) A locally regulated utility located, in whole or in part, within a county or a city in which a state of emergency has been declared related to homelessness must waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(b) A locally regulated utility that is not located within a county or a city in which a state of emergency has been declared related to homelessness may waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter to homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(5) At such time as a property receiving a waiver under subsection (4)(a) of this section is no longer operating under the eligibility requirements under subsection (4)(a) of this section:

(a) The waiver of connection charges required under subsection (4)(a) of this section is no longer required; and

(b) Any connection charges waived under subsection (4)(a) of this section are immediately due and payable to the utility as a condition of continued service.

NEW SECTION. **Sec.**  A new section is added to chapter 35.92 RCW to read as follows:

(1) Municipal utilities formed under this chapter and located, in whole or in part, within a county or a city in which a state of emergency has been declared related to homelessness must waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(2) Municipal utilities formed under this chapter and not located in a county or a city in which a state of emergency has been declared related to homelessness may waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(3) At such time as a property receiving a waiver under subsection (1) of this section is no longer operating under the eligibility requirements under subsection (1) of this section:

(a) The waiver of connection charges required under subsection (1) of this section is no longer required; and

(b) Any connection charges waived under subsection (1) of this section are immediately due and payable to the utility as a condition of continued service.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Connection charges" means the 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.

(b) "Domestic violence" has the same meaning as defined in RCW 70.123.020.

(c) "Emergency shelter" means any facility:

(i) 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

(ii) 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.

(d) "Homeless person" has the same meaning as defined in RCW 43.185C.010.

(5) This section expires July 1, 2027.

**Sec.**  RCW 35.92.380 and 1980 c 150 s 1 are each amended to read as follows:

Whenever a city or town waives or delays collection of tap-in charges, connection fees, or hookup fees for low-income persons, ((~~or~~)) a class of low-income persons, or emergency shelters serving homeless persons, to connect to lines or pipes used by the city or town to provide utility service, the waiver or delay shall be pursuant to a program established by ordinance. As used in this section, the provision of "utility service" includes, but is not limited to, water, sanitary or storm sewer service, electricity, gas, other means of power, and heat.

**Sec.**  RCW 36.94.140 and 2005 c 324 s 2 are each amended to read as follows:

(1) Every county, in the operation of a system of sewerage and/or water, shall have full jurisdiction and authority to manage, regulate, and control it. Except as provided in subsection (3) of this section, every county shall have full jurisdiction and authority to fix, alter, regulate, and control the rates and charges for the service and facilities to those to whom such service and facilities are available, and to levy charges for connection to the system.

(2) The rates for availability of service and facilities, and connection charges so charged must be uniform for the same class of customers or service and facility. In classifying customers served, service furnished or made available by such system of sewerage and/or water, or the connection charges, the county legislative authority may consider any or all of the following factors:

(a) The difference in cost of service to the various customers within or without the area;

(b) The difference in cost of maintenance, operation, repair and replacement of the various parts of the systems;

(c) The different character of the service and facilities furnished various customers;

(d) The quantity and quality of the sewage and/or water delivered and the time of its delivery;

(e) Capital contributions made to the system or systems, including, but not limited to, assessments;

(f) The cost of acquiring the system or portions of the system in making system improvements necessary for the public health and safety;

(g) The nonprofit public benefit status, as defined in RCW 24.03.490, of the land user; and

(h) Any other matters which present a reasonable difference as a ground for distinction.

(3) The rate a county may charge under this section for storm or surface water sewer systems or the portion of the rate allocable to the storm or surface water sewer system of combined sanitary sewage and storm or surface water sewer systems shall be reduced by a minimum of ten percent for any new or remodeled commercial building that utilizes a permissive rainwater harvesting system. Rainwater harvesting systems shall be properly sized to utilize the available roof surface of the building. The jurisdiction shall consider rate reductions in excess of ten percent dependent upon the amount of rainwater harvested.

(4) A county may provide assistance to aid low-income persons in connection with services provided under this chapter.

(5) The service charges and rates shall produce revenues sufficient to take care of the costs of maintenance and operation, revenue bond and warrant interest and principal amortization requirements, and all other charges necessary for the efficient and proper operation of the system.

(6) A connection charge under this section for service to a manufactured housing community, as defined in RCW 59.20.030, applies to an individual lot within that community only if the system of water or sewerage provides and maintains the connection.

(7)(a) A county in which a state of emergency has been declared related to homelessness must waive connection charges under this section for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(b) A county in which a state of emergency has not been declared related to homelessness may waive connection charges under this section for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(8) At such time as a property receiving a waiver under subsection (7)(a) of this section is no longer operating under the eligibility requirements under subsection (7)(a) of this section:

(a) The waiver of connection charges required under subsection (7)(a) of this section is no longer required; and

(b) Any connection charges waived under subsection (7)(a) of this section are immediately due and payable to the utility as a condition of continued service.

(9) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Connection charges" means the 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.

(b) "Domestic violence" has the same meaning as defined in RCW 70.123.020.

(c) "Emergency shelter" means any facility:

(i) 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

(ii) 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.

(d) "Homeless person" has the same meaning as defined in RCW 43.185C.010.

**Sec.**  RCW 54.24.080 and 1995 c 140 s 3 are each amended to read as follows:

(1) The commission of each district which shall have revenue obligations outstanding shall have the power and shall be required to establish, maintain, and collect rates or charges for electric energy and water and other services, facilities, and commodities sold, furnished, or supplied by the district. The rates and charges shall be fair and, except as authorized by RCW 74.38.070 and by subsections (2) and (3) of this section, nondiscriminatory, and shall be adequate to provide revenues sufficient for the payment of the principal of and interest on such revenue obligations for which the payment has not otherwise been provided and all payments which the district is obligated to set aside in any special fund or funds created for such purpose, and for the proper operation and maintenance of the public utility and all necessary repairs, replacements, and renewals thereof.

(2) The commission of a district may waive connection charges for properties purchased by low-income persons from organizations exempt from tax under section 501(c)(3) of the federal internal revenue code as amended prior to the July 23, 1995. Waivers of connection charges for the same class of electric or gas utility service must be uniformly applied to all qualified property. Nothing in this subsection (2) authorizes the impairment of a contract.

(3) In establishing rates or charges for water service, commissioners may in their discretion consider the achievement of water conservation goals and the discouragement of wasteful water use practices.

(4)(a) The commission of a district that is located, in whole or in part, within a county or a city in which a state of emergency has been declared related to homelessness must waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(b) The commission of a district that is not located within a county or a city in which a state of emergency has been declared related to homelessness may waive connection charges for properties used by a nonprofit organization, local agency, or any other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons.

(5) At such time as a property receiving a waiver under subsection (4)(a) of this section is no longer operating under the eligibility requirements under subsection (4)(a) of this section:

(a) The waiver of connection charges required under subsection (4)(a) of this section is no longer required; and

(b) Any connection charges waived under subsection (4)(a) of this section are immediately due and payable to the utility as a condition of continued service.

(6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Connection charges" means the 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.

(b) "Domestic violence" has the same meaning as defined in RCW 70.123.020.

(c) "Emergency shelter" means any facility:

(i) 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

(ii) 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.

(d) "Homeless person" has the same meaning as defined in RCW 43.185C.010.

NEW SECTION. **Sec.**  A new section is added to chapter 80.28 RCW to read as follows:

(1)(a) A gas company, electrical company, wastewater company, or water company that is 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 service line charges for properties used by a nonprofit organization, local agency, or other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons. Expenses and lost revenues as a result of this waiver must be included in the company's cost of service and recovered in rates to other customers.

(b) A gas company, electrical company, wastewater company, or water company that is not located within a city or county in which a state of emergency has been declared related to homelessness may waive service line charges for properties used by a nonprofit organization, local agency, or other legal entity that provides emergency shelter for homeless persons or victims of domestic violence who are homeless for personal safety reasons. Expenses and lost revenues as a result of this waiver must be included in the company's cost of service and recovered in rates to other customers.

(2) At such time as a property receiving a waiver under subsection (1)(a) of this section is no longer operating under the eligibility requirements under subsection (1)(a) of this section:

(a) The waiver of service line charges required under subsection (1)(a) of this section is no longer required; and

(b) Any service line charges waived under subsection (1)(a) of this section are immediately due and payable to the utility as a condition of continued service.

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Domestic violence" has the same meaning as defined in RCW 70.123.020.

(b) "Emergency shelter" means any facility:

(i) 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

(ii) 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.

(c) "Homeless person" has the same meaning as defined in RCW 43.185C.010.

(4) This section expires July 1, 2027.

NEW SECTION. **Sec.**  Sections 1, 2, and 4 through 6 of this act expire July 1, 2027.

**--- END ---**