

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1592

Chapter 407, Laws of 1997

55th Legislature
1997 Regular Session

TAX EXEMPTIONS FOR SMALL WATER-SEWER DISTRICTS

EFFECTIVE DATE: 7/27/97

Passed by the House April 22, 1997
Yeas 97 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate April 17, 1997
Yeas 47 Nays 0

IRV NEWHOUSE
President of the Senate

Approved May 16, 1997

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1592** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

May 16, 1997 - 3:33 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1592

Passed Legislature - 1997 Regular Session

AS AMENDED BY THE SENATE

State of Washington 55th Legislature 1997 Regular Session

By House Committee on Finance (originally sponsored by Representatives Bush, Kastama, Mulliken, Regala, K. Schmidt, McDonald, Lantz, Robertson, Chandler, Poulsen, Talcott, Backlund, McMorris, Thompson, O'Brien, Linville, Dunn and Sheldon)

Read first time 03/10/97.

1 AN ACT Relating to tax exemptions for small water districts and
2 systems; adding a new section to chapter 82.04 RCW; adding a new
3 section to chapter 82.16 RCW; creating a new section; and providing
4 expiration dates.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that encouraging water
7 districts to better manage state water resources and encouraging
8 satellite management of failing water systems is in the best interests
9 of the people of Washington state. Continual updates of water quantity
10 and quality, as mandated by federal and state agencies, have revealed
11 that degradation of water quality exists in small water systems
12 throughout the state and that satellite management and consolidation of
13 small systems under a centralized management structure can best utilize
14 existing resources available to assure safe, clean drinking water. The
15 legislature further finds that costs involved in upgrading these small
16 systems can be extremely burdensome to water customers and public water
17 purveyors. With diminishing resources available to these small
18 systems, the legislature finds that granting business and occupation

1 and excise tax relief, under certain conditions, will assist smaller
2 water districts to meet state and federal standards.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
4 to read as follows:

5 (1) This chapter does not apply to amounts received for water
6 services supplied by a water-sewer district established under Title 57
7 RCW that has been certified by the department of health as:

8 (a) Having less than one thousand five hundred connections; and

9 (b) Charging residential water rates that exceed one hundred
10 twenty-five percent of the state-wide average water rate.

11 (2) This chapter does not apply to amounts received for water
12 services supplied by a water system that has been certified by the
13 department of health as:

14 (a) Being operated or owned by a qualified satellite management
15 agency under RCW 70.116.134;

16 (b) Having less than two hundred connections; and

17 (c) Charging residential water rates that exceed one hundred
18 twenty-five percent of the state-wide average water rate.

19 (3) To receive an exemption under this section, the water system
20 shall supply to the department of health proof that an amount equal to
21 at least 90 percent of the value of the exemption shall be expended to
22 repair, equip, maintain, and upgrade the water system.

23 (4) The department of health shall certify to the department of
24 revenue the eligibility of water districts and water systems under this
25 section. In order to determine eligibility, the department of health
26 may use rate information provided in surveys and reports produced by
27 the association of Washington cities, an association of elected
28 officials, or other municipal association to estimate a state-wide
29 average residential water rate. The department of health shall update
30 the estimated state-wide average residential water rate by July 1 of
31 each year that this section remains in effect.

32 (5) This section expires July 1, 2003.

33 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.16 RCW
34 to read as follows:

35 (1) This chapter does not apply to amounts received for water
36 services supplied by a water-sewer district established under Title 57
37 RCW that has been certified by the department of health as:

1 (a) Having less than one thousand five hundred connections; and
2 (b) Charging residential water rates that exceed one hundred
3 twenty-five percent of the state-wide average water rate.

4 (2) This chapter does not apply to amounts received for water
5 services supplied by a water system that has been certified by the
6 department of health as:

7 (a) Being operated or owned by a qualified satellite management
8 agency under RCW 70.116.134;

9 (b) Having less than two hundred connections; and

10 (c) Charging residential water rates that exceed one hundred
11 twenty-five percent of the state-wide average water rate.

12 (3) To receive an exemption under this section, the water system
13 shall supply to the department of health proof that an amount equal to
14 at least 90 percent of the value of the exemption shall be expended to
15 repair, equip, maintain, and upgrade the water system.

16 (4) The department of health shall certify to the department of
17 revenue the eligibility of water districts and water systems under this
18 section. In order to determine eligibility, the department of health
19 may use rate information provided in surveys and reports produced by
20 the association of Washington cities, an association of elected
21 officials, or other municipal association to estimate a state-wide
22 average residential water rate. The department of health shall update
23 the estimated state-wide average residential water rate by July 1 of
24 each year that this section remains in effect.

25 (5) This section expires July 1, 2003.

Passed the House April 22, 1997.

Passed the Senate April 17, 1997.

Approved by the Governor May 16, 1997.

Filed in Office of Secretary of State May 16, 1997.