
Local Government Committee

HB 2259

Brief Description: Requiring a vote of the people in specified circumstances before a city may assume jurisdiction over a water-sewer district.

Sponsors: Representatives Takko, Simpson and Schindler.

Brief Summary of Bill

- Prohibits a city from assuming jurisdiction over all or part of a water-sewer district serving a population greater than 1,000 residents and containing, within its boundaries, the territory of two or more cities, or one city and unincorporated territory, unless voters of the entire water-sewer district approve a ballot proposition authorizing the assumption;
- Requires that a feasibility study be completed and made public before a public vote is held regarding an assumption of jurisdiction;
- Denies jurisdiction to a Boundary Review Board to review an attempted or completed assumption that has been subject to a vote by the voters in the water-sewer district and which involves not more than one city.
- Authorizes a city, subject to certain exceptions, to levy and collect a tax on gross revenue derived by a water-sewer district from the sale of water or sewer services within the city.

Hearing Date: 3/1/05

Staff: CeCe Clynch (786-7168).

Background:

Current law sets forth legislative and electoral mechanisms, based upon geographic location and property valuation, for the assumption of jurisdiction of water-sewer districts (districts) by cities or towns.

Whenever all of the territory of a district is located within the corporate boundaries of a city, the city legislative body may adopt a resolution or ordinance to assume jurisdiction over the entire district.

Whenever a portion of a district equal to at least 60 percent of its area, or 60 percent of the assessed valuation of the real property lying within the district, is included within the corporate boundaries of a city, the city may assume by ordinance the full and complete management and

control of that portion of the entire district not included within another city. Related statutes specify that under certain circumstances the district may, upon a favorable vote of a majority of all voters within the district, require a city to assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district.

Whenever the portion of a district included within the corporate boundaries of a city is less than 60 percent of the area of the district and less than 60 percent of the assessed valuation of the real property within the district, the city may assume, by ordinance, jurisdiction of the district's responsibilities, property, facilities and equipment within the corporate limits of the city. The city may also assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district upon a favorable vote of a majority of all voters within the district.

Whenever more than one city, in whole or in part, is included within a district, the city which has within its boundaries 60 percent or more of the area of the assessed valuation of the district may, with the approval of any other city containing part of such district, assume responsibility for operation and maintenance of the district's property, facilities and equipment within such other city.

Summary of Bill:

Voter approval of the assumption of jurisdiction of a water-sewer district by a city.

A city may not assume the jurisdiction over a water-sewer district serving a population greater than 1,000 residents and containing, within its boundaries, the territory of two or more cities, or one city and unincorporated territory, unless voters of the entire water-sewer district approve a ballot proposition authorizing the assumption. The cost of the election must be borne by the city seeking to assume such jurisdiction. The approval of the voters in a water-sewer district is not required if the board of commissioners of the water-sewer district consents to the assumption of jurisdiction by the city or town;

Feasibility study requirement.

A feasibility study is required regarding a proposed assumption of jurisdiction prior to the matter being subject to a decision by the voters in the water-sewer district. This feasibility study must comply with specified criteria and procedural conditions, including:

- the study must be done by a qualified expert with expertise involving public water and sewer systems;
- it must address specified issues relating to functional and operational impacts, financial consequences, water rights, etc.;
- it must be completed within six months of the passage of the resolution proposing the assumption;
- the findings of the study must be made available to the voters as a public record; and
- the vote on assumption cannot take place until the study is completed and the results made public.

A feasibility study is not necessary if the board of commissioners of the water-sewer district consents to the assumption of jurisdiction by the city or town.

Limitations on the jurisdiction of Boundary Review Boards.

A Boundary Review Board is denied jurisdiction to review an attempted or completed assumption that has been subject to a vote by the voters in the water-sewer district and which involves not more than one city.

Applicability of the act.

The provisions of the act are applicable to assumptions of jurisdiction that are pending as of the effective date of the act, or which are initiated on or after such date.

Taxing authority

A city in which a water-sewer district operates is authorized to levy and collect from the district a tax on that portion of the district's gross revenues which are derived from the sale of water or sewer services within the city. The district, in turn, is authorized to add the amount of tax to the rates or charges it makes for water or sewer services sold within the limits of the city.

Certain limitations are put upon the city's taxing authority:

- the tax may not extend to revenues derived from the sale of water or sewer services for purposes of resale;
- the rate of tax may not exceed 6 percent; and
- the tax may not be imposed if the city is imposing any tax, fee, or charge on the district pursuant to an interlocal agreement.

Appropriation: None.

Fiscal Note: Requested on March 1, 2005.

Effective Date: The bill contains an emergency clause and takes effect immediately.