

HOUSE BILL REPORT

HB 2146

As Passed Legislature

Title: An act relating to contract requirements for water or sewer facilities.

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

Sponsors: Representatives Ericks, Johnson, Eddy and Liias.

Brief History:

Committee Activity:

Local Government & Housing: 2/18/09, 2/19/09 [DP].

Floor Activity:

Passed House: 3/5/09, 97-0.

Senate Amended.

Passed Senate: 4/17/09, 45-0.

House Concurred.

Passed House: 4/21/09, 97-0.

Passed Legislature.

Brief Summary of Bill

- Extends the statutory time limit for infrastructure development reimbursement contracts, known as "latecomers agreements," from 15 to 20 years.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass. Signed by 8 members: Representatives Simpson, Chair; Nelson, Vice Chair; Angel, Ranking Minority Member; Miloscia, Springer, Upthegrove, White and Williams.

Minority Report: Do not pass. Signed by 2 members: Representatives Cox, Assistant Ranking Minority Member; Short.

Staff: Thamas Osborn (786-7129)

Background:

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.

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 of Bill:

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.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is a good bill since it provides a tool for encouraging infrastructure development. Municipalities need the ability to enter into latecomer's agreements and the extension of the reimbursement period to 20 years is desirable. This increases the incentive for municipalities to participate in the building of needed infrastructure.

(Opposed) None.

Persons Testifying: Eric Baker, Kitsap County.

Persons Signed In To Testify But Not Testifying: None.