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**Local Government & Housing Committee**

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**HB 2925**

**Brief Description:** Concerning impact payments of a municipally owned hydroelectric facility.

**Sponsors:** Representatives Kretz, Short and Condotta.

**Brief Summary of Bill**

- Requires certain cities and municipally owned utilities that have hydroelectric or other electricity generating projects located in another county to provide financial compensation to the county, as well as other specified governmental entities within that county, to compensate for negative impacts upon county revenues and the public welfare stemming from the presence of such electricity generating facilities or projects.

**Hearing Date:** 1/28/10

**Staff:** Thamas Osborn (786-7129).

**Background:**

A city that owns and operates a public utility with electricity generating facilities located in another county *may* provide financial assistance to that county to compensate for the financial and social impacts of such facility on the affected community. The city and county are authorized to enter into contracts for the provision of such compensation.

After March 17, 1955, if a city either constructs hydroelectric facilities or acquires land for that purpose in another county and the hydroelectric project has impacts that negatively affect county revenues, transportation, public welfare, or local school districts, then the city must enter into a financial compensation agreement with the county and/or the affected school districts.

**Summary of Bill:**

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*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.*

A city with a population greater than 500,000 that owns and operates a public utility with electricity generating facilities in another county must provide financial compensation to that county, the municipalities within that county, and local school districts, so as to compensate for the impacts of the generating facility that negatively affect local revenues, public welfare, or the school districts.

After March 17, 1955, a municipal utility located in a city with a population exceeding 500,000 and that has hydroelectric facilities located in another county, or that acquires land in another county for the development of such facilities, must provide financial compensation to the affected county. The compensation must be paid annually pursuant to an agreement between the municipal utility and the county. The compensation agreement must either provide for the reimbursement of the county for actual financial losses resulting from the hydroelectric project or must provide for financial compensation equal to 7 percent of the annual utility taxes paid by the municipal utility.

**Appropriation:** None.

**Fiscal Note:** Requested on January 25, 2010.

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