

SENATE BILL REPORT

HB 2146

As Reported by Senate Committee On:
Government Operations & Elections, March 26, 2009

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: Passed House: 3/05/09, 97-0.

Committee Activity: Government Operations & Elections: 3/23/09, 3/26/09 [DPA, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; McDermott, Pridemore and Swecker.

Minority Report: That it be referred without recommendation.

Signed by Senator Benton.

Staff: Edward Redmond (786-7471)

Background: 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."

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.

Summary of Bill (Recommended Amendments): The statutory time limit for infrastructure development reimbursement contracts, known as "latecomer agreements," is extended to 20 years.

EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & ELECTIONS COMMITTEE (Recommended Amendments): Makes a technical amendment. The conditions for extension of the 15-year reimbursement period are amended to apply to the 20-year reimbursement period.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.