

HOUSE BILL REPORT

HB 2116

As Reported By House Committee On:

Local Government

Title: An act relating to public utility district disposition of property.

Brief Description: Allowing a public utility district to dispose of equipment or materials.

Sponsors: Representatives Scott, Mielke, Mulliken, Edwards, Fortunato, Cooper and Reardon.

Brief History:

Committee Activity:

Local Government: 2/25/99, 3/1/99 [DP].

Brief Summary of Bill

- Allows a public utility district to sell materials and supplies from district stores to other districts, contractors, or customers of the district without voter approval.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 8 members: Representatives Mulliken, Republican Co-Chair; Scott, Democratic Co-Chair; Doumit, Democratic Vice Chair; Mielke, Republican Vice Chair; Edwards; Ericksen; Fisher and Fortunato.

Staff: Scott MacColl (786-7106).

Background:

Public utility districts (PUDs) may sell and convey, lease, or otherwise dispose of all or any part of its works, plants, systems, utilities and properties, after proceedings and supermajority voter approval by the voters of the district. A PUD may dispose of property outside its boundaries to another PUD, city or town without voter approval.

A PUD may dispose of any property within or outside its boundaries that is obsolete, unserviceable, inadequate, obsolete, worn out or unfit to be used in the operations of the system and which is no longer necessary and to transfer such property to any person or public body without voter approval.

Summary of Bill:

Public utility districts are authorized to sell, convey, lease or otherwise dispose of items of equipment or materials from the district's stores to any other districts without voter approval or a resolution of a district's board. This authority is granted only if the items or materials cannot be obtained on a timely basis from any other source and if the district receives fair market value for the equipment or materials.

Entities to which the PUD may sell, convey, lease or otherwise dispose of property include any cooperative, mutual, consumer owned or investor owned utility; any federal, state, or local government agency; any contractor employed by the district or any other district, utility, or agency; or any customer of the district or of any other district or utility.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill is common sense for PUDs. It allows one PUD to sell to another for a specific need. This bill will streamline the sale of materials and supplies when needed without voter approval. This is needed so that PUDs can share equipment or material with other PUDs after an event like a severe storm. This is a clear benefit to consumers, and it fixes a gap in state law that prohibits PUDs from selling to each other or to a contractor even if there is a specific request. Snohomish PUD gets between four - 10 calls per year looking for stock. Snohomish PUD can get the stock there within hours, as opposed to a supplier which may take much longer.

Testimony Against: None.

Testified: Representative Scott, prime sponsor; Al Aldrich, Snohomish Public Utility District; and Lew McMurran, Washington Public Utility District Association.