
Local Government Committee

BILL ANALYSIS HB 2528

TITLE OF THE BILL: Regulating capacity charges for sewage facilities by metropolitan municipal corporations.

Brief Summary:

- Specifies sewage capacity charges are to be imposed monthly by a metropolitan municipal corporation.
- Eliminates maximum monthly rates and the 15-year duration for capacity charge.
- Authorizes the imposition of a reasonable connection charge (as determined by the legislative authority) based on a property owner's equitable share of system costs, including interest charges to a maximum rate of 10% and for a maximum of 10 years.
- Specifies connection charges are revenue of the sewage facilities.

SPONSORS: Representatives Cairnes, Cooper, G. Chandler, Dunshee, Tokuda, Linville, Stensen, Lovick, Esser, Kenney, Barlean, Constantine, Murray and Keiser.

HEARING DATE: Monday, January 24, 2000.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.

FISCAL NOTE: Not requested.

ANALYSIS PREPARED BY: Scott MacColl (786-2528).

BACKGROUND:

A metropolitan municipal corporation that is engaged in the transmission, treatment, and disposal of sewage may impose a capacity charge on the users of the facility when the customer connects, reconnects or establishes new service. The capacity charge is based upon the cost of the sewer facilities excess capacity, and may be collected over a fifteen year period.

Sewer capacity charges for a metropolitan municipal corporation are currently set at a maximum monthly rate, and are subject to annual review and approval. Sewer capacity charges for a building other than a single family residence are based on the projected number of residential customer equivalents to be represented by the building.

A metropolitan municipal corporation is defined as a municipal corporation of the state of Washington authorized by chapter 35.58 RCW in which two or more cities of at least ten thousand population have organized to perform certain functions, or a county which has by ordinance or resolution assumed the rights, powers and functions of a metropolitan municipal corporation.

SUMMARY:

The bill eliminates the maximum monthly rates, residential customer equivalent provisions for capacity charges, and the 15-year duration for capacity charges.

The specific capacity charges have been modified to authorize metropolitan municipal corporations the right to charge property owners to connect to the sewage facility and to impose that charge on a monthly basis. The connection charges are to be considered revenue of the sewage facility.

In addition to the connection charge, there is an additional connection charge authorized to be set by the legislative body based on the property owners equitable share of the cost of the system.

The equitable share is defined to include interest charges that a) apply from the date of construction of the sewage facilities until the connection; or b) for a period not to exceed ten years, at a rate commensurate with the rate of interest applicable to the municipal corporation at the time of construction or major rehabilitation of the sewage facilities; or c) at the time of installation of the sewer lines, but not to exceed ten percent per year. The aggregate amount of interest is not to exceed the equitable share of the cost of the sewage facilities allocated to such property owners.