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## Local Government Committee

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### HB 1737

**Brief Description:** Concerning utility service annexation covenants.

**Sponsors:** Representatives Kraft, Pollet, Walsh, Peterson, Vick and Eslick.

**Brief Summary of Bill**

- Prohibits a city from requiring an owner of property located outside its corporate limits to enter into a utility service annexation covenant as a condition of extending utilities to such property.

**Hearing Date:** 2/15/19

**Staff:** Yvonne Walker (786-7841).

**Background:**

When a city or town owns or operates a municipal waterworks system and desires to extend the utility beyond its corporate limits, it may acquire, construct, and maintain any addition to or extension of the system, and dispose of and distribute water to any other municipality, water-sewer district, community, or person desiring to purchase it. A city or town may enter into a contract with any outside municipality, community, corporation, or person, for furnishing them with water; the contract may fix the terms upon which the outside distribution systems will be installed and the rates at which and the manner in which payment must be made for the water supplied or for the service rendered.

Every city or town may permit connections with any of its sewers from property beyond its limits, upon such terms, conditions, and payments as may be prescribed by ordinance. The city or town may require a written agreement between the city or town and the owner of the property to be served by the connecting sewer. If any such agreement is made and filed with the county auditor of the county in which the property is located, it constitutes a covenant running with the land and such agreements and covenants are binding on the owner and all persons subsequently acquiring any right, title, or interest in the property.

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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.*

In *Yakima County Fire Protection District No. 12 v. Yakima*, the state Supreme Court reviewed an agreement that the city of Yakima required landowners located outside the city to sign as a condition of receiving sewer service from the city. The agreement required the landowners to sign a future petition for annexation into the city. The Court held that cities have statutory authority to enter into this type of contract.

**Summary of Bill:**

A city may not require an owner of property located outside its corporate limits to enter into a utility service annexation covenant as a condition of extending utilities to such property. "Utility service annexation covenant" is defined as a contract between a city and a property owner located in another city, town, or unincorporated area wherein the city agrees to provide utility service in exchange for a promise that the property owner will sign, upon request, a petition for annexation of the property into the city.

**Appropriation:** None.

**Fiscal Note:** Requested on February 4, 2019.

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