

# HOUSE BILL REPORT

## SB 5122

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**As Passed House:**  
April 4, 2019

**Title:** An act relating to insurance coverage for water-sewer district commissioners.

**Brief Description:** Addressing insurance coverage for water-sewer district commissioners.

**Sponsors:** Senators Takko, Short, Honeyford and Hasegawa.

**Brief History:**

**Committee Activity:**

Local Government: 3/26/19, 3/27/19 [DP].

**Floor Activity:**

Passed House: 4/4/19, 81-12.

**Brief Summary of Bill**

- Allows water-sewer districts, regardless of the number of customers the district has, to provide insurance coverage to its commissioners if it provides such coverage to employees.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 4 members: Representatives Pollet, Chair; Peterson, Vice Chair; Goehner and Senn.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Kraft, Ranking Minority Member; Appleton.

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

**Background:**

Water-sewer districts (districts), a type of special purpose district (SPD), were created to further public health and safety and to furnish water, sewerage, and drainage services.

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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.*

Districts develop and operate systems of sewers and drainage and are authorized to create facilities, systems, and programs for the collection, interception, treatment, disposal, and control of pollution from wastewater. Districts may also fix rates and charge for services, enter into contracts, levy taxes, and issue bonds. Districts are governed by boards of elected commissioners consisting of three to seven members that are elected to six-year terms.

Insurance Coverage.

Upon approval of its board of commissioners, an individual district may enter into a contract to provide health care, life, and social security insurance coverage for the benefit of its employees. In addition, if deemed expedient, any two or more districts may jointly procure and pay for health care and life insurance for its employees.

A district with 5,000 or more customers that provides health, group, or life insurance to its employees may also provide its commissioners with the same insurance coverage. However, the amount paid for a commissioner cannot exceed the per person amount paid by the district for its employees.

**Summary of Bill:**

In all instances, a district that provides health, group, or life insurance to its employees may also provide the same coverage to its commissioners. The requirement that a district needs to have 5,000 or more customers is eliminated as a factor to providing insurance coverage to its commissioners.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) This bill levels the playing field for all commissioners by allowing smaller districts to provide health care plans for their commissioners. The provisions of the bill are not mandatory, but optional, for local districts and local jurisdictions would still have to pass this in their local budgets if they choose to provide such insurance.

Unlike other SPDs where there is no population threshold, water-sewer districts have population thresholds in place for its commissioners before they are able to get insurance. The elimination of the population thresholds may provide an incentive in order to increase the number of people that run for district commissioners as it is often difficult to find people to run for such positions. The positions are generally time-consuming and do not pay much money.

(Opposed) None.

**Persons Testifying:** Senator Takko, prime sponsor; and Joe Daniels, Washington Association of Water-Sewer Districts.

**Persons Signed In To Testify But Not Testifying:** None.