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**Transportation Committee**

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**HB 1735**

**Brief Description:** Restructuring authorization for street utilities.

**Sponsors:** Representatives Murray, Jarrett, Gombosky, Romero, Simpson, Kenney and Wood.

**Brief Summary of Bill**

- Authorizes cities and towns to regulate streets as a utility.
- Authorizes utility charges to provide funding for maintenance, preservation and operation of street utility.

**Hearing Date:** 2/18/03

**Staff:** Jeff Doyle (786-7322).

**Background:**

In 1990 the Legislature authorized the formation of street utilities to generate revenues for city street maintenance, operation and preservation. Prior to November 1995, the following cities had enacted a street utility charge: Grandview; Kent; Mabton; Marcus; Medical Lake; Richland; Seattle; Snoqualmie; Soap Lake; Union Gap; Wenatchee; and Wilkeson.

In 1995 the Washington Supreme Court considered the constitutionality of the city street utility charge in *Covell v. City of Seattle*. The court concluded that the street utility charge was not a valid fee, but rather a tax on property that violated the state constitution's uniformity clause.

**Summary of Bill:**

Cities and towns are authorized to establish street utility service areas for the purpose of regulating, maintaining and preserving city streets. After providing proper notice and conducting public hearings, the legislative authority of a city or town may establish such street utility service areas by ordinance.

Maintenance and preservation of the street utility would be supported through user fees

charged to residential and business users located in the service area. User fees must be expressed as a dollar amount per household unit or type of business. In classifying user fee rates, the city or town may consider several factors, including: cost to maintain current level of service for the street utility; estimated number of vehicle trips generated by certain types of properties; location of users; etc.

User fees may not be imposed on vacant parcels. If a party can demonstrate that it neither benefits from a street nor creates a burden on the street, no user fee shall be charged. User fees may not be computed on an ad valorem basis.

Street utility service user fee revenues must be placed in a segregated fund and used only for specified purposes, including street maintenance and repair, preservation, rehabilitation or reconstruction, traffic signals, lighting, signs, snow and ice removal, and other operational activities in support of the transportation system, including administration of the street utility.

Jurisdictions that create a street utility may also use any other lawful means of financing street improvements.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect on July 1, 2003.