

SENATE BILL REPORT

ESHB 2891

As Reported By Senate Committee On:
Government Operations & Elections, February 23, 2004

Title: An act relating to revising boundaries of a public utility district in incorporated territory.

Brief Description: Modifying public utility district provisions.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Grant and Mastin).

Brief History:

Committee Activity: Government Operations & Elections: 2/20/04, 2/23/04 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Berkey, Horn, Kastama and McCaslin.

Staff: William Bridges (786-7424)

Background: Public utility districts (PUDs) are municipal corporations that operate utility systems, such as electric, water, and sewer. PUDs are governed by elected boards of commissioners, and they are generally elected from commissioner districts. Commissioner district boundaries must include all the territory of a PUD, and all registered voters within the territorial boundaries are entitled to vote in all district elections. Once a PUD is formed, there is no statutory process for commissioners to exclude from commissioner districts all or part of a city that subsequently begins to operate its own utilities.

Summary of Bill: A process is established for changing the commissioner district boundaries of a PUD that is located in a county with a federal nuclear reservation.

Process for removing or including voting precincts. A precinct is withdrawn from a PUD if the precinct receives at least one electric, water, or sewer service from a city, and no such service from a PUD. A precinct is included in a PUD if any portion of the precinct receives at least one electric distribution, water, or sewer service from the PUD. Requirements are specified for notifying the county auditor and the affected city and PUD whenever a precinct is withdrawn from or included in a PUD.

Upon receiving the specified notice, the county auditor must determine which voting precincts must be withdrawn from or included in the PUD, and provide that information to the PUD commissioners. The commissioners must then revise the boundaries of the district without dividing any voting precinct.

Property taxes and debt obligations. A PUD may not generally levy or impose taxes on property located in voting precincts withdrawn from the PUD, except for: (1) taxes or assessments levied or assessed before the withdrawal; or (2) levies or assessments made to pay

or secure PUD obligations incurred or issued before the withdrawal. The withdrawal of an area from a PUD does not exempt the property from taxes or assessments made to retire or redeem PUD obligations incurred or issued before the withdrawal.

Service agreements. This act does not affect PUD authority to enter into service agreements with cities and towns.

Additional technical changes are made.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill is identical to the Senate companion bill. The Benton PUD has reached an agreement with the City of Richland, so the city has dropped its opposition to the bill.

Testimony Against: None.

Testified: Dave Arbaugh, City of Richland (neutral); Randy Ray, Benton PUD (pro).