

FINAL BILL REPORT

EHB 3192

C 88 L 06

Synopsis as Enacted

Brief Description: Authorizing a contract extension for reimbursement by property owners for street, road, and water or sewer projects.

Sponsors: By Representatives B. Sullivan, Ericks and Sells.

House Committee on Local Government

Senate Committee on Government Operations & Elections

Background:

Cities, towns, and water-sewer districts are authorized to enter into contracts with developers and other property owners that create reimbursement procedures for the construction and/or funding of infrastructure improvements that exceed the scope or capacity necessary for a particular development or property. Such contracts may pertain to the construction or improvement by property owners of either street projects or water-sewer facilities.

Typically, such contracts involve situations in which a new property development necessitates the construction of additional infrastructure, and the developer agrees to provide infrastructure improvements on a scale sufficient to service the current development project as well as future development that is likely to occur in the area. In return, the contract provides that the developer will receive pro rata reimbursement from other developers or property owners who later benefit from the excess capacity provided by the infrastructure improvements. Such reimbursement agreements are limited to a period of 15 years.

As the result of various state and local regulations pertaining to the management of growth, local governments sometimes impose development restrictions that can delay the development of an area for up to several years. Such development delays may, in turn, have the effect of delaying the reimbursement due a developer or property owner who has funded infrastructure improvements in the restricted area under a contract with a city, town, or water-sewer district.

Summary:

Subject to specified conditions, contracts by cities, towns, or water-sewer districts requiring pro rata reimbursement to a property owner for funding excess infrastructure capacity may be of a duration exceeding 15 years. However, the contract extension may not exceed the duration of pertinent legal constraints restricting applications for new development within the area benefitted by the excess infrastructure capacity.

Votes on Final Passage:

House 98 0
Senate 45 0

Effective: June 7, 2006