

**SHB 2925 - H AMD 1238**

By Representative Ericks

ADOPTED 2/16/2010

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 35.21.420 and 1965 c 7 s 35.21.420 are each amended  
4 to read as follows:

5 (1) Any city owning and operating a public utility and having  
6 facilities for the generation of electricity located in a county other  
7 than that in which the city is located, may provide for the public  
8 peace, health, safety and welfare of such county as concerns the  
9 facilities and the personnel employed in connection therewith, by  
10 contributing to the support of the county government of any such  
11 county and enter into contracts with any such county therefor.

12 (2)(a) Any city with a population greater than five hundred  
13 thousand people owning and operating a public utility and having  
14 facilities for the generation of electricity located in a county other  
15 than that in which the city is located, must provide for the impacts  
16 of lost revenue and the public peace, health, safety, and welfare of  
17 such county as concerns the facilities and the personnel employed in  
18 connection therewith, by contributing to the support of the county,  
19 city, or town government and school district of any such county and  
20 enter into contracts with any such county therefore as specified in  
21 RCW 35.21.425.

22 (b)(i) In the event the contract between a county and the  
23 governing body of a city with a population greater than five hundred  
24 thousand people authorized or required under this section expires  
25 prior to the adoption of a new contract between the parties, the city  
26 must continue to make compensatory payments to the affected county  
27 pursuant to the terms of the most recent expired contract until such

1 time as a new contract is entered into by the parties.

2 (ii) In the event a contract entered into under subsection (1) of  
3 this section between a county and the governing body of a city with a  
4 population greater than five hundred thousand people expired prior to  
5 the effective date of this act, the city shall be indebted to the  
6 county for any resulting arrearage accruing from the time of the  
7 expiration of the contract until such time as a new contract is  
8 entered into by the parties. The dollar amount of such arrearage  
9 shall be calculated retroactively by reference to the payment terms  
10 set forth in the most recent expired compensation contract between the  
11 city and the county.

12 (c) In the event the contract between a county and any city with a  
13 population greater than five hundred thousand people owning and  
14 operating a public utility and having facilities for the generation of  
15 electricity located in a county other than that in which the city is  
16 located expires and the parties are unable to reach agreement within  
17 six months of such expiration, then the parties shall follow the  
18 arbitration procedures as provided in RCW 35.21.426. The city and/or  
19 the municipal utility shall be responsible for all arbitration costs.

20  
21 **Sec. 2.** RCW 35.21.425 and 1965 c 7 s 35.21.425 are each amended  
22 to read as follows:

23 (1) Except as provided in subsection (2) of this section, whenever  
24 after March 17, 1955, any city shall construct hydroelectric  
25 generating facilities or acquire land for the purpose of constructing  
26 the same in a county other than the county in which such city is  
27 located, and by reason of such construction or acquisition shall (1)  
28 cause loss of revenue and/or place a financial burden in providing for  
29 the public peace, health, safety, welfare, and added road maintenance  
30 in such county, in addition to road construction or relocation as set  
31 forth in RCW 90.28.010 and/or (2) shall cause any loss of revenues  
32 and/or increase the financial burden of any school district affected  
33 by the construction because of an increase in the number of pupils by  
34 reason of the construction or the operation of said generating

1 facilities, the city shall enter into an agreement with said county  
2 and/or the particular school district or districts affected for the  
3 payment of moneys to recompense such losses or to provide for such  
4 increased financial burden, upon such terms and conditions as may be  
5 mutually agreeable to the city and the county and/or school district  
6 or districts.

7 (2)(a) Whenever after March 17, 1955, a municipal owned utility  
8 located in a city with a population greater than five hundred thousand  
9 people constructs or operates hydroelectric generating facilities or  
10 acquires land for the purpose of constructing or operating the same in  
11 a county other than the county in which the city is located must enter  
12 into an agreement with the county affected for the annual payment of  
13 moneys to recompense such losses, as provided under RCW 35.21.425.

14 (b)(i) In the event the agreement between a county and the  
15 governing body of either a city with a population greater than five  
16 hundred thousand people or a municipal utility owned by a city with a  
17 population greater than five hundred thousand people, as required  
18 under this section, expires prior to the adoption of a new agreement  
19 between the parties, the city or utility must continue to make  
20 compensatory payments to the affected county pursuant to the terms of  
21 the most recent expired agreement until such time as a new agreement  
22 is entered into by the parties.

23 (ii) In the event an agreement entered into under subsection (1)  
24 of this section between a county and the governing body of a city with  
25 a population greater than five hundred thousand people expired prior  
26 to the effective date of this act, the city shall be indebted to the  
27 county for any resulting arrearage accruing from the time of the  
28 expiration of the agreement until such time as a new agreement is  
29 entered into by the parties. The dollar amount of such arrearage  
30 shall be calculated retroactively by reference to the payment terms  
31 set forth in the most recent expired compensation agreement between  
32 the city and the county.

33 (c) In the event the agreement required between a county and the  
34 governing body of either a city with a population greater than five

1 hundred thousand people or a municipal utility owned by a city with a  
2 population greater than five hundred thousand people expires, or has  
3 expired prior to the effective date of this act, and the parties are  
4 unable to reach agreement within six months of such expiration, then  
5 the parties shall follow the arbitration procedures as provided in RCW  
6 35.21.426. The city and/or the municipal utility shall be responsible  
7 for all arbitration costs.

8  
9 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
10 preservation of the public peace, health, or safety, or support of the  
11 state government and its existing public institutions, and takes  
12 effect immediately."

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**EFFECT:** 1) Clarifies that a city must have a population of at least five hundred thousand before the city or its municipal utility is subject to the requirements of the act; 2) requires that the parties submit to arbitration in the event a compensation contract or agreement expires and the parties are unable to enter into a new agreement or contract within six months of such expiration; and 3) establishes that the city or its municipal utility is responsible for the payment of all arbitration costs.

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