

SENATE BILL REPORT

HB 1179

As of February 20, 2014

Title: An act relating to the lien for collection of sewer utility charges by counties.

Brief Description: Revising the lien for collection of sewer charges by counties.

Sponsors: Representatives Morrell, Sawyer, Zeiger, Takko and Ryu.

Brief History: Passed House: 3/04/13, 98-0; 2/12/14, 98-0.

Committee Activity: Governmental Operations: 3/25/13 [DP]; 2/20/14.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Braun, Conway, Fraser and Rivers.

Staff: Karen Epps (786-7424)

Background: Counties that operate a water or sewer system must have a lien on the applicable property for delinquent charges. The lien is for all charges, interest, and penalties, and attaches to the premises to which the services were provided. After 60 days, the county may bring a foreclosure action in superior court in the county where the property is located. The lien is subject to foreclosure in the same manner as the foreclosure of a real property tax lien.

Cities and towns have the authority to impose a sewerage lien for up to six months without recording with the county auditor. The sewerage lien is recorded in the same manner as a mechanic's lien. An action to foreclose a six months' lien may be commenced at any time after six months. The sewerage lien includes all charges, interest, penalties, and lien recording and release fees. Cities and towns operating their own municipal water system may also terminate water service to the applicable property until the charges are paid.

Summary of Bill: A county that operates a sewer or water system may impose a sewerage lien for up to six months without recording the lien with the county auditor. Additionally, a county may enforce the lien by terminating water service to the property. A sewerage lien may be imposed by the county for up to one year by resolution or ordinance without

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recording with the county auditor. The lien includes all charges, interest, penalties, and lien recording and release fees.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

Testimony From 2013 Regular Session.

PRO: This bill allows the counties to avoid requiring a customer to pay additional charges when they become delinquent in paying for their sewer service and provides a process through which a customer can establish a payment plan with the county. This bill allows county utilities to have the same option for sewerage liens that cities currently utilize. This bill would be a benefit to sewer utility customers by allowing them to work with the county before a lien is filed, adding additional lien charges.

Testimony From 2014 Regular Session.

This bill comes from Pierce County. This bill will mirror how cities handle this issue. This bill will make things better for consumers and for counties. This bill will allow customers to have additional time to pay their delinquent sewer bill before a lien is placed against the property. This bill benefits the county by lessening the administrative and legal costs. This bill allows customers to pay their bill before the foreclosure process starts. This bill will impact Pierce, Kitsap, and Spokane counties.

Persons Testifying:

Persons Testifying From 2013 Regular Session.

PRO: Brynn Brady, Pierce County.

Persons Testifying From 2014 Regular Session.

PRO: Representative Morrell, prime sponsor; Maylin Clark, Cindy McClelland, Pierce County Public Works & Utilities, Sewer Division.