SENATE BILL REPORT
SB 6096

As of January 22, 2026

Title: An act relating to delayed utility connection fees for residential construction.

Brief Description: Concerning delayed utility connection fees for residential construction.

Sponsors: Senators Goehner, Bateman and Nobles.

Brief History:
Committee Activity: Housing: 1/23/26.

Brief Summary of Bill

- Requires cities and counties to, by 2030, adopt and maintain a system for the deferred collection of water and sewer utility connection charges for single-family detached, single-family attached, and multifamily residential construction.

SENATE COMMITTEE ON HOUSING

Staff: Benjamin Omdal (786-7442)

Background: Cities and towns are authorized to construct and operate waterworks to provide water for the city and its inhabitants. The city or town may charge for the use of its water, but the rates must be uniform for the same class of customers or service and cannot be less than the cost of the water and service.

Cities and towns are also authorized to construct and operate sewage facilities, including facilities for both stormwater and sewage, and solid waste handling facilities. Rates for these services also have to be uniform for the same class of customers or service.

Cities and towns can charge connection fees to property owners seeking to connect to the water or sewerage system as a condition to connecting to the system. In addition to the cost

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of connection, the legislative body of the city or town must determine a reasonable charge so that the property owners bear their equitable share of the cost of the system.

The equitable share may include interest charges from the date of construction of the system until its connection, or up to ten years, whichever is less. The interest rate charged may be the same interest rate that was applicable to the city or town at the time of the construction or of a major rehabilitation of the water system, up to 10 percent per year, though the aggregate interest imposed cannot exceed the equitable share of the cost of the system allocated to the connecting users.

Municipal utilities may waive connection charges for properties owned or developed by, or on the behalf of, a nonprofit organization, housing authority, or local agency that provides emergency shelter, transitional housing, permanent supportive housing, or affordable housing. Except for limited circumstances, waived connection charges must be funded using general funds, grant dollars, or other identified revenue stream. If a property that received a waiver is no longer eligible for a waiver, any waived connection charges become immediately due and payable as a condition of continued service.

In a county east of the crest of the Cascade Mountains with a population of greater than 500,000, the waiver of connection charges may be allowed without an explicit requirement to pay the exempted connection charges from general funds, grant dollars, or other identified revenue stream if the waiver of charges is conditioned upon requiring the developer to record a covenant that prohibits using the property for any purpose other than emergency shelter, transitional housing, permanent supportive housing, or affordable housing.

Summary of Bill: Cities and towns collecting water or sewer connection charges must, by 2030, adopt and maintain a system for the deferred collection of connection charges for single-family detached, single-family attached, and multifamily—qualifying—residential construction. The deferral system must include a process by which an applicant for a building permit for a qualifying residence may request a deferral of the full payment of connection charges.

The deferral system offered by a city or town must include one or more of the following options:

- deferring collection of the impact fee payment until final inspection; or
- deferring collection of the impact fee payment until certificate of occupancy or equivalent certification.

Cities and towns utilizing the deferral process must withhold certification of final inspection, certificate of occupancy, or equivalent certification until the connection charges have been paid in full.

For the purposes of the bill, connection charges are defined as the one-time capital and

administrative charges that are imposed by a utility on a qualifying residence for a new utility service and costs borne or assessed by a utility for the labor, materials, and services necessary to physically connect a designated residence to the respective utility service.

Appropriation: None.

Fiscal Note: Requested on January 19, 2026.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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