

# SENATE BILL REPORT

## SB 5423

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As of February 6, 1995

**Title:** An act relating to sewer and water district sewer and water extension contracts.

**Brief Description:** Allowing sewer and water districts to collect connection charges from people who did not contribute to the facilities original costs.

**Sponsors:** Senator Winsley.

**Brief History:**

**Committee Activity:** Government Operations: 2/8/95.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Staff:** Rod McAulay (786-7754)

**Background:** Sewer districts and water districts are authorized to contract with property owners to extend sewer or water lines. These contracts may provide for the reimbursement of the property owners for a period of up to 15 years of a portion of the costs of the sewer or water facilities that are constructed from connection charges received by the district from other property owners who subsequently connect to or use the sewer facilities. There is no authority for sewer or water districts to make connection charges to recapture construction costs when connections are made after the reimbursement period has expired.

**Summary of Bill:** After expiration of the initial reimbursement period under a sewer or water extension contract, the district may collect a connection charge from property owners. The charge is a pro rata share of the initial construction costs plus interest from the date the facilities came on line to the expiration of the reimbursement period at a rate equal to the rates applicable to district borrowing at the time the facilities come on line.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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