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**SUBSTITUTE SENATE BILL 5795**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Government Operations & Security (originally sponsored by Senators Roach and Liias)

READ FIRST TIME 02/20/15.

1       AN ACT Relating to authorizing municipalities to create  
2 assessment reimbursement areas for the construction or improvement of  
3 water or sewer facilities; and adding a new section to chapter 35.91  
4 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       NEW SECTION.   **Sec. 1.** A new section is added to chapter 35.91  
7 RCW to read as follows:

8       (1) As an alternative to the procedures provided in RCW 35.91.020  
9 for financing the construction or improvement of water or sewer  
10 facilities, a municipality may create an assessment reimbursement  
11 area on its own initiative, without the participation of a private  
12 property owner, finance all of the costs associated with the  
13 construction or improvement, and become the sole beneficiary of  
14 reimbursements.

15       (a) A municipality may only establish an assessment reimbursement  
16 area in locations where a municipality's ordinances require water or  
17 sewer facilities to be improved or constructed as a prerequisite to  
18 further property development or redevelopment.

19       (b) The boundaries of an assessment reimbursement area must be  
20 formulated by the municipality based upon a determination of which  
21 parcels in the proposed area would require construction or

1 improvement of water or sewer facilities upon development or  
2 redevelopment, or would be allowed connection to or usage of  
3 constructed or improved water or sewer facilities.

4 (c) A preliminary determination of the assessment reimbursement  
5 area boundaries and assessments, along with a description of property  
6 owners' rights and options, must be sent by certified mail to each  
7 owner of record of real property within the proposed assessment  
8 reimbursement area. Owners of property within the proposed area may  
9 request a public hearing by submitting a written request to the  
10 municipality within twenty days of the preliminary determination's  
11 mailing. If a written request is submitted, the legislative authority  
12 of the municipality must hold a public hearing on the assessment  
13 reimbursement area. Notice of the hearing must be provided to all  
14 affected property owners. Any rulings of the legislative authority of  
15 the municipality are determinative and final, subject to judicial  
16 review.

17 (d) The final determination of the assessment reimbursement area  
18 boundaries and assessments must be recorded in the county auditor's  
19 office of the county in which the area is situated.

20 (2) A municipality may be reimbursed in accordance with this  
21 section only for the costs associated with construction or  
22 improvements that benefit property that will be connected to, and  
23 property owners who will use, the water or sewer facilities within  
24 the assessment reimbursement area. Reimbursement may only occur when  
25 a property is developed or redeveloped in a manner requiring  
26 connection to or use of the water or sewer facilities, or when a  
27 property is requesting connection to or use of the water or sewer  
28 facilities. The reimbursement assessment may be no greater than a  
29 property's pro rata share of costs associated with construction of  
30 the water or sewer facilities required to meet utility service and  
31 fire suppression standards. The municipality must determine the  
32 reimbursement share of each property owner by using a method of cost  
33 apportionment that is based on the benefit to the property owner from  
34 the project and that is consistent with the method used to determine  
35 the cost and reimbursement share under RCW 35.91.020(1) (a) and (b).  
36 However, the municipality's administrative and legal costs are not  
37 subject to reimbursement. A municipality may not receive  
38 reimbursement of costs for the portion of construction or  
39 improvements that benefit the general public, which means that

1 portion of the water or sewer facilities that only benefit property  
2 outside of the assessment reimbursement area.

3 (3) For the purposes of this section, administrative costs do not  
4 include engineering and construction management costs.

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