



## **WASHINGTON SUPREME COURT DECISION UPHOLDS KING COUNTY ORDINANCE TO CHARGE UTILITIES “RENT” TO USE PUBLIC RIGHT OF WAY**

In December 2019, the Washington Supreme Court upheld a King County Ordinance allowing the County to impose a “franchise compensation charge” or “rent” to public utility companies that provide electric, water, sewer, and gas distribution services in public rights-of-way. This charge was explicitly designed by King County to raise revenues for the County General Fund and applies to both investor-owned utilities such as PSE, and to non-profit utilities, such as Tanner and water districts.

Of course, the utility companies have no choice but to pass these charges on to their customers/members. Further, the cost of administering the complicated and burdensome calculation of right-of-way occupied by lines, and the value of the adjacent real estate, as provided by the King County Ordinance 18403 and its Public Rule, would add a heavy administrative burden upon all the utility companies, including Tanner, and thus additional costs.

***If the legislature allows this King County Ordinance to stand, here is what it would mean to Tanner members:***

- ***On average, about \$5/month would be added to a King County homeowner’s electric power bill.***
- ***If that homeowner also has a natural gas connection and a water connection, they would also have about \$5 per month added to each of those bills. (For three utility bills, that would total \$15/month additional cost to the homeowner, or \$180 per year.)***
- ***Because King County declared their intention to make the charges retroactive to 2017 when the Ordinance’s Public Rule was adopted, Tanner would be liable for approximately \$153,000 per year for those two years past, and that would have to be passed on to our King County members.***
- ***Tanner staff would incur additional unknown, but burdensome administrative costs that would affect our cost of doing business.***
- ***There is absolutely no guarantee that the fees charged by King County will not go up in the future, as they desire to earn more general fund revenue.***
- ***While this applies only in King County at the moment, Pierce County and other counties in the state are watching with interest.***

For this reason, Tanner, in concert with other utility companies, will ask the Washington Legislature to act in the 2021 session to make it illegal for counties to charge “rent” for utilities to use public rights-of-way, just as it now is illegal for cities to do so. We will need the support of Tanner members for such a legislative action.

In the coming months we will be updating you with more information, and will also be providing you the names, email addresses and phone numbers of your legislators to contact.