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**Technology, Energy & Communications  
Committee**

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**HB 1211**

**Brief Description:** Concerning utility donations to hunger programs.

**Sponsors:** Representatives Rivers, Blake, Takko, Kretz, Van De Wege, Liias, Klippert, Smith, Chandler, Nealey, Fitzgibbon, Warnick, Moeller, Harris and Condotta.

**Brief Summary of Bill**

- Authorizes public utility districts, municipal utilities, and privately-owned electrical and natural gas companies to collect donations from their customers to support hunger programs.

**Hearing Date:** 1/28/11

**Staff:** Kara Durbin (786-7133).

**Background:**

Hunger programs

There are a number of federal and state programs that provide funding for food for low-income and vulnerable individuals. For example, the Food Assistance Programs, sponsored by the Washington State Department of Agriculture, helps people in Washington receive food at 450 food banks and meal programs across the state and through tribal voucher programs with 32 tribes.

Public Utility Districts and Municipal Utilities

Public utility districts and municipal utilities are municipal corporations authorized by statute. Generally, the powers of municipal corporations are limited to those powers that are: (1) expressly granted by statute or by the constitution; (2) necessarily implied in or incident to powers expressly granted; and (3) essential to the declared purposes and objects of the municipal corporation.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

State law does not address whether a public utility district or a municipal utility may collect donations to support hunger programs.

#### Investor Owned Utilities

The Utilities and Transportation Commission (UTC) regulates in the public interest the rates, services and practices of privately-owned utilities and transportation companies. Neither state law nor UTC rules prohibit privately-owned electrical or natural gas companies from collecting donations to support hunger programs, provided that the cost of administering the donation program is not imposed on ratepayers.

#### Public Utility Tax

The Public Utility Tax is a tax on public service businesses, including businesses that engage in transportation, communications, and the supply of electricity, natural gas, and water. The tax is paid on gross income derived from operation of public and privately owned utilities in lieu of the business and occupation (B&O) tax.

#### **Summary of Bill:**

Public utility districts, municipal utilities, and natural gas and electrical companies may request voluntary donations from their customers to support hunger programs. Any donations collected may be used to support the maintenance and operation of hunger programs in the community.

Donations received by a public utility district, municipal utility, or a natural gas or electrical company are not considered gross income of a light and power business or gas distribution business for the purposes of calculating public utility taxes.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.