

# HOUSE BILL REPORT

## SHB 1211

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### As Amended by the Senate

**Title:** An act relating to utility donations to hunger programs.

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

**Sponsors:** House Committee on Technology, Energy & Communications (originally sponsored by Representatives Rivers, Blake, Takko, Kretz, Van De Wege, Liias, Klippert, Smith, Chandler, Nealey, Fitzgibbon, Warnick, Moeller, Harris and Condotta).

**Brief History:**

**Committee Activity:**

Technology, Energy & Communications: 1/28/11, 2/4/11 [DPS].

**Floor Activity:**

Passed House: 2/22/11, 93-1.

Senate Amended.

Passed Senate: 4/9/11, 48-1.

### Brief Summary of Substitute Bill

- Authorizes public utility districts and municipal utilities to collect donations from their customers to support hunger programs.

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## HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives McCoy, Chair; Crouse, Ranking Minority Member; Short, Assistant Ranking Minority Member; Anderson, Billig, Dahlquist, Frockt, Haler, Harris, Hasegawa, Jacks, Kelley, McCune, Morris and Nealey.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Carlyle, Eddy and Liias.

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

**Background:**

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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.*

### 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, help 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 (PUDs) 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 Washington Constitution; (2) necessarily implied in or incident to powers expressly granted; and (3) essential to the declared purposes and objects of the municipal corporation.

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

### 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 tax.

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

Public utility districts (PUDs) and municipal utilities 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. This authorization to collect donations to support hunger programs does not preclude PUDs or municipal utilities from requesting donations to support other types of programs.

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

### **EFFECT OF SENATE AMENDMENT(S):**

The Senate amendment (1) clarifies that donations collected for hunger programs must be used to support those programs; and (2) removes the limitation that donations be used for hunger programs in the community.

**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.

**Staff Summary of Public Testimony:**

(In support) This is a simple bill that allows utilities to collect donations to support hunger programs. It is voluntary; they do not have to participate, but can if their customers want them to. The hunger problem is growing in our state. Donations are not keeping up with the need. Allowing customers to check a box on their utility bill could have a huge impact on local hunger programs. It makes it easy for donors. Hunger programs can leverage these dollars. This bill will help us provide more food resources to children.

(Opposed) While we understand the need, and our employees and shareholders are very supportive of local food banks, we are concerned that this may detract from customers supporting our energy assistance program.

**Persons Testifying:** (In support) Representative Rivers, prime sponsor; Josh Fugt, Northwest Harvest; Tony Airhart, Coastal Harvest; and Kevin Glackin-Coley and Brian Carlsen, Saint Leo's Food Connection.

(Opposed) Nancy Atwood, Puget Sound Energy.

**Persons Signed In To Testify But Not Testifying:** None.