S-3136.2

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**SENATE BILL 6115**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senator Chase

AN ACT Relating to limiting tax imposed by a city or town on a water distribution business, a sewerage system business, or water and sewerage system business; and adding a new section to chapter 35.21 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 35.21 RCW to read as follows:

(1) No city or town may impose a tax on the privilege of conducting a water distribution business, a sewerage system business, or water and sewerage system business at a rate that exceeds six percent unless the rate is first approved by a majority of the voters of the city or town voting on such a proposition.

(2)(a) If a city or town is imposing a rate of tax under subsection (1) of this section in excess of six percent on the effective date of this section, the city or town must decrease the rate to a rate of six percent or less by reducing the rate each year on or before November 1st by ordinances to be effective on January 1st of the succeeding year, by an amount equal to one-tenth the difference between the tax rate on the effective date of this section and six percent.

(b) Nothing in this subsection prohibits a city or town from reducing its rates by amounts greater than the amounts required in this section.

(3) Voter-approved rate increases under subsection (1) of this section may not be included in the computations under subsection (2) of this section.

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