S-4074.1

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**SUBSTITUTE SENATE BILL 5712**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Senate Housing & Local Government (originally sponsored by Senators Hasegawa and Nobles)

AN ACT Relating to the transparency of local taxing districts; amending RCW 35.92.460 and 19.29A.030; adding a new section to chapter 35.58 RCW; adding a new section to chapter 54.04 RCW; adding a new section to chapter 85.08 RCW; adding a new section to chapter 36.58A RCW; adding a new section to chapter 36.58 RCW; adding a new section to chapter 57.02 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that all Washington state residents are entitled to clear, transparent utility bills. Many local jurisdictions impose utility taxes that utility providers are required to collect. Residents deserve clear and transparent bills, yet these utility taxes can be difficult or impossible to discern on current utility billing statements. Considering the rapidly escalating costs of housing, the legislature intends to create transparency of utility bills for residents to better understand this component of their housing costs.

NEW SECTION. **Sec.**  A new section is added to chapter 35.58 RCW to read as follows:

Any metropolitan municipal corporation must disclose the rates of each tax it collects on behalf of another political subdivision, if any. Metropolitan municipal corporations must also disclose the method by which the tax rates are applied to the relevant service charges billed to the customer or taxpayer. The disclosures required by this section must occur through at least one of the following methods:

(1) On regular billing statements provided electronically or in written form;

(2) On the corporation's website, if the corporation provides written notice to customers or taxpayers that such information is available on its website; or

(3) Through a billing insert, mailer, or other written or electronic communication provided to customers or taxpayers on either an annual basis or within 30 days of the effective date of any subsequent tax rate change.

NEW SECTION. **Sec.**  A new section is added to chapter 54.04 RCW to read as follows:

Any public utility district must disclose the rates of each tax it collects on behalf of another political subdivision, if any. Public utility districts must also disclose the method by which the tax rates are applied to the relevant service charges billed to the customer or taxpayer. The disclosures required by this section must occur through at least one of the following methods:

(1) On regular billing statements provided electronically or in written form;

(2) On the district's website, if the district provides written notice to customers or taxpayers that such information is available on its website; or

(3) Through a billing insert, mailer, or other written or electronic communication provided to customers or taxpayers on either an annual basis or within 30 days of the effective date of any subsequent tax rate change.

NEW SECTION. **Sec.**  A new section is added to chapter 85.08 RCW to read as follows:

Any diking, drainage, and sewerage improvement district must disclose the rates of each tax it collects on behalf of another political subdivision, if any. Diking, drainage, and sewerage improvement districts must also disclose the method by which the tax rates are applied to the relevant service charges billed to the customer or taxpayer. The disclosures required by this section must occur through at least one of the following methods:

(1) On regular billing statements provided electronically or in written form;

(2) On the district's website, if the district provides written notice to customers or taxpayers that such information is available on its website; or

(3) Through a billing insert, mailer, or other written or electronic communication provided to customers or taxpayers on either an annual basis or within 30 days of the effective date of any subsequent tax rate change.

NEW SECTION. **Sec.**  A new section is added to chapter 36.58A RCW to read as follows:

Any solid waste collection district must disclose the rates of each tax it collects on behalf of another political subdivision, if any. Solid waste collection districts must also disclose the method by which the tax rates are applied to the relevant service charges billed to the customer or taxpayer. The disclosures required by this section must occur through at least one of the following methods:

(1) On regular billing statements provided electronically or in written form;

(2) On the district's website, if the district provides written notice to customers or taxpayers that such information is available on its website; or

(3) Through a billing insert, mailer, or other written or electronic communication provided to customers or taxpayers on either an annual basis or within 30 days of the effective date of any subsequent tax rate change.

NEW SECTION. **Sec.**  A new section is added to chapter 36.58 RCW to read as follows:

Any solid waste disposal district must disclose the rates of each tax it collects on behalf of another political subdivision, if any. Solid waste disposal districts must also disclose the method by which the tax rates are applied to the relevant service charges billed to the customer or taxpayer. The disclosures required by this section must occur through at least one of the following methods:

(1) On regular billing statements provided electronically or in written form;

(2) On the district's website, if the district provides written notice to customers or taxpayers that such information is available on its website; or

(3) Through a billing insert, mailer, or other written or electronic communication provided to customers or taxpayers on either an annual basis or within 30 days of the effective date of any subsequent tax rate change.

NEW SECTION. **Sec.**  A new section is added to chapter 57.02 RCW to read as follows:

Any water-sewer district must disclose the rates of each tax it collects on behalf of another political subdivision, if any. Water-sewer districts must also disclose the method by which the tax rates are applied to the relevant service charges billed to the customer or taxpayer. The disclosures required by this section must occur through at least one of the following methods:

(1) On regular billing statements provided electronically or in written form;

(2) On the district's website, if the district provides written notice to customers or taxpayers that such information is available on its website; or

(3) Through a billing insert, mailer, or other written or electronic communication provided to customers or taxpayers on either an annual basis or within 30 days of the effective date of any subsequent tax rate change.

**Sec.**  RCW 35.92.460 and 2020 c 135 s 1 are each amended to read as follows:

(1) Any city or town ((~~that operates its own water, sewer or wastewater~~**~~,~~** ~~or stormwater utility and imposes a fee or tax on the gross revenue of such a utility shall disclose the fee or tax rate to its utility customers. Such disclosure shall include statements, as applicable, that "the amount billed includes a fee or tax up to . . . . . (dollar amount or percentage) calculated on the gross revenue of the water utility; a fee or tax up to . . . . . (dollar amount or percentage) calculated on gross revenue of the sewer or wastewater utility; a fee or tax up to . . . . . (dollar amount or percentage) calculated on the gross revenue of the stormwater utility."~~)) operating as a municipal utility must disclose the rates of each tax it collects on the gross revenue of such a utility to its utility customers. Municipal utilities must also disclose the method by which the tax rates are applied to the relevant service charges billed to the customer or taxpayer.

(2) The disclosures required by this section must occur through at least one of the following methods:

(a) On regular billing statements provided electronically or in written form;

(b) On the city or town's website, if the city or town provides written notice to customers or taxpayers that such information is available on its website; or

(c) Through a billing insert, mailer, or other written or electronic communication provided to customers or taxpayers on either an annual basis or within thirty days of the effective date of any subsequent tax rate change.

(3) Any city or town operating as a municipal utility and collecting taxes, fees, or other service charges on behalf of another political subdivision must also comply with this section.

**Sec.**  RCW 19.29A.030 and 1998 c 300 s 4 are each amended to read as follows:

Except as otherwise provided in RCW 19.29A.040, an electric utility ((~~shall~~)) must:

(1) Provide notice to all of its retail electric customers that the disclosures required in RCW 19.29A.020 are available without charge upon request. Such notice ((~~shall~~)) must be provided at the time service is established and either included as a prominent part of each customer's bill or in a written notice mailed to each customer at least once a year thereafter. Required disclosures ((~~shall~~)) must be provided without charge, in writing using plain language that is understandable to an ordinary customer, and presented in a form that is clear and conspicuous((~~.~~));

(2) Provide written or electronic notice of public hearings where changes in electricity rates will be considered or approved by the commission or governing body, in a form and manner as may be required by the commission or governing body;

(3) Disclose on each billing statement the rate of tax imposed upon the electric utility under RCW 35.21.870, if any, and the amount of such tax to be paid directly by the retail electric customer through the billing statement; and

(4) Disclose the following information in a prominent manner on all billing statements sent to retail electric customers, or by a separate written notice mailed to all retail electric customers at least quarterly and at the same time as a billing statement: "YOUR BILL INCLUDES CHARGES FOR ELECTRICITY, DELIVERY SERVICES, GENERAL ADMINISTRATION AND OVERHEAD, METERING, TAXES, CONSERVATION EXPENSES, AND OTHER ITEMS.

**--- END ---**