

SENATE BILL REPORT

SHB 1009

As Reported By Senate Committee On:
Water, Energy & Environment, March 31, 2005

Title: An act relating to paying utility bills electronically.

Brief Description: Allowing electronic payment of utility bills.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Upthegrove, Conway, Hudgins, Morrell, Kenney, P. Sullivan, B. Sullivan, Dunn, McCoy, Wallace and Chase).

Brief History: Passed House: 2/28/05, 53-42.

Committee Activity: Water, Energy & Environment: 3/24/05, 3/31/05 [DPA, DNP].

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: Do pass as amended.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Fraser, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senators Morton, Ranking Minority Member; Honeyford and Mulliken.

Staff: William Bridges (786-7424)

Background: There are no Washington laws that authorize, require, or prohibit electronic bill-payment options for electric, natural gas, water, sewer or telecommunications customers. The Washington Utilities and Transportation Commission, however, has authorized electronic billing for solid waste and telecommunications companies. In addition, some utilities in Washington offer electronic bill-payment options, such as online bill-paying.

Summary of Amended Bill: By July 1, 2008, entities providing the following utility services must offer an electronic payment option for their retail customers: electric, natural gas, water, sewer, and telecommunications. Among other things, "electronic payment option" includes on-line credit and debit card payment systems, on-line banking and money transfer systems, and Internet-based payment systems.

Additional fees or costs charged to the customer may not exceed the actual cost of providing an electronic payment option.

Utilities that have less than 5,000 retail customer accounts are exempt from the requirement.

Amended Bill Compared to Original Bill: It is clarified that "electronic payment option" includes on-line payments and electronic money transfers.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Utilities should offer at least one form of a web-based payment system for their customers. Government-owned utilities are probably the biggest offenders of not offering this option. A web-based system, such as PayPal, is half the cost of a credit-card payment system. Services like PayPal also offer state-of-the-art security measures. Many utilities do not know what their current collection systems cost, so they cannot really know if a web-based system will cost more. Washington is a trade dependent state and traveling businessmen need a system for the remote payment of their bills. Some PUDs support the bill only on the understanding that on-line bank services would be satisfactory.

Testimony Against: None.

Other: Utilities are already authorized to offer web-based payment services if their customers demand it--which they have not. The start-up costs are high to establish such a system, and the on-going maintenance costs are significant. This bill would be especially burdensome to those small districts that use the county treasurer to collect utility payments. Water and sewer districts should be removed from the bill. This bill is an unfunded mandate. The cost-recovery language in the bill is not sufficient to cover Internet security measures.

Who Testified: PRO: Representative Morris, prime sponsor; Scott Hazlegrove, eBay.

Other: Steve Lindstrom, Sno-King Water District Coalition; Joe Daniels, Wash. Assn of Sewer & Water Dist.; Victoria Lincoln, AWC; Doug Levy, Cities of Everett and Puyallup; Dave Arbaugh, Chelan PUD, Kitsap PUD, and City of Richland.