

SENATE BILL REPORT

SB 6587

As Reported by Senate Committee On:
Local Government, February 1, 2018

Title: An act relating to the transparency of local taxing districts.

Brief Description: Concerning the transparency of local taxing districts.

Sponsors: Senators Hasegawa and Van De Wege.

Brief History:

Committee Activity: Local Government: 2/01/18 [DPS, DNP].

Brief Summary of First Substitute Bill

- Requires certain local districts that offer utility services to disclose an itemized list of rates and charges on billing statements, or if there are no billing statements issued for a particular service, then to make that list available upon request.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 6587 be substituted therefor, and the substitute bill do pass.

Signed by Senators Takko, Chair; Palumbo, Vice Chair; Liias.

Minority Report: Do not pass.

Signed by Senators Short, Ranking Member; Angel.

Staff: Bonnie Kim (786-7316)

Background: Irrigation Districts. Generally, an irrigation district provides for the construction, improvement, maintenance, and operation of irrigation systems. Irrigation districts also may provide drainage, domestic water supply, and electric power facilities. Districts may finance their operations and actions through fees, charges, and assessments, but districts do not have the authority to impose property taxes.

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.

Metropolitan Municipal Corporations. Metropolitan municipal corporations provide essential services in metropolitan areas not adequately provided by existing agencies. Authorized responsibilities include water pollution abatement and providing water supply, garbage disposal, parks and recreation, and public transportation. A metropolitan municipal corporation has levy authorized to fund the services it provides.

Public Utility Districts (PUDs). A PUD is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. PUDs are authorized to establish rates and charges for providing water and sewer services.

Diking, Drainage, and Sewer Improvement Districts. Sewer improvement and related districts plan, construct, and operate facilities to collect, treat, and dispose of sanitary, industrial, and other sewage. Diking improvement districts improve dikes, drains, and ditches to provide an efficient system of drainage for land within the district. Districts may fix rates and charges for services, enter into contracts, levy taxes, and issue bonds.

Solid Waste Collection Districts. Solid waste collection districts provide garbage and refuse collection services in unincorporated county areas when the utilities and transportation commission determines an area is not receiving adequate service. Counties are authorized to charge and collect reasonable fees for this service.

Solid Waste Disposal Districts. Solid waste disposal districts provide services in incorporated areas in counties with populations of 1 million or less. The legislative bodies of cities and towns also join by resolution. A solid waste disposal district may collect disposal fees based exclusively upon utilization by weight or volume for accepting solid wastes at a disposal site or transfer station.

Television Reception Improvement Districts. Television reception improvement districts construct, maintain, and operate television and FM radio translator stations, including appropriate electric or electronic devices for increasing television program distribution. Districts may levy an excise tax to finance its budget.

Water-Sewer Districts. Water-sewer districts provide water and sewer services to incorporated and unincorporated areas. District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants, and to develop and operate systems of sewers and drainage. Districts may fix rates and charges for services, enter into contracts, levy taxes, and issue bonds.

Municipal Utilities. Cities and towns are authorized to operate waterworks, sewerage and solid waste handling systems, utilities—gas/electric, and transportation facilities. Municipal utilities may fix rates and charges for services, enter into contracts, levy taxes, and issue bonds.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): An itemized list of all rates and charges, including the amount of state and local taxes, and whether taxes were collected on behalf of another political subdivision, must be prominently disclosed on billing statements issued by:

- irrigation districts;
- metropolitan municipal corporations;
- PUDs;
- diking, drainage, and sewer improvement districts;
- solid waste collection districts;
- solid waste disposal districts;
- television reception improvement districts;
- water-sewer districts; and
- municipal utilities.

If a district does not issue billing statements for a particular service, then it must make rate and charge information available upon request of a taxpayer in their district.

EFFECT OF CHANGES MADE BY LOCAL GOVERNMENT COMMITTEE (First Substitute):

- Requires municipal utilities (cities and towns) to disclose an itemized list of rate and charge information on billing statements or make such information available upon request if no billing statement is issued for a particular service.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Proposed Substitute: *The committee recommended a different version of the bill than what was heard.* PRO: This a companion of sorts to SSB 5624, requiring electrical utilities to itemize their bills, that was passed by the Senate EET Committee. This bill was originally brought by PUDs. Cities and counties can charge utility tax and the public utility that has to charge the tax takes the heat for a tax that is actually being charged by a municipality. This bill is the one area that newspapers get the most questions about in rural areas with smaller districts. It is difficult to get rate and charge information from these small districts.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Rowland Thompson, Allied Daily Newspapers of Washington.

Persons Signed In To Testify But Not Testifying: No one.