

HOUSE BILL REPORT

HB 1211

As Reported by House Committee On:
Technology, Energy & Communications

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

Brief Description: Concerning utility donations to hunger programs.

Sponsors: 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].

Brief Summary of Substitute Bill

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

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; Jacks, Vice Chair; Crouse, Ranking Minority Member; Short, Assistant Ranking Minority Member; Anderson, Billig, Dahlquist, Frockt, Haler, Harris, Hasegawa, Kelley, McCune, Morris and Nealey.

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

Staff: Kara Durbin (786-7133).

Background:

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

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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.

Substitute Bill Compared to Original Bill:

The substitute bill removes the section of the bill authorizing gas and electrical companies regulated by the Utilities and Transportation Commission to collect donations for hunger programs. The substitute bill also clarifies that the authorization in the bill to collect donations for hunger programs does not preclude utilities from requesting donations to support other types of programs.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: 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.