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**SUBSTITUTE SENATE BILL 5024**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senate Local Government (originally sponsored by Senators Hasegawa and Fortunato)

AN ACT Relating to the transparency of local taxing districts; amending RCW 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; adding a new section to chapter 35.92 RCW; and providing an effective date.

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

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

(1) By September 1, 2019, any metropolitan municipal corporation serving ten thousand or more customers or taxpayers must disclose the rates of state and local taxes imposed on the corporation with respect to the billed services, if any. The corporation must also disclose the amount of any such taxes to be paid directly by the customer or taxpayer.

(2) A metropolitan municipal corporation serving less than ten thousand but more than five thousand customers or taxpayers must disclose the state and local tax information required in subsection (1) of this section upon the next update to its billing system or by January 1, 2024, whichever is earlier.

(3) Metropolitan municipal corporations serving five thousand or less customers or taxpayers are encouraged, but not required, to provide the state and local tax information as described in subsection (1) of this section.

(4) If a metropolitan municipal corporation does not issue billing statements for any of the services it provides, it must make the state and local tax information in this section for each such service available upon the request of any taxpayer within its service boundaries.

(5) The disclosure requirements of subsection (1) of this section may be satisfied by the following methods:

(a) As part of a regular billing statement issued to each customer or taxpayer; or

(b) In writing to each customer or taxpayer, either as a billing insert or in a newsletter, describing in as much specificity as reasonably possible, the rates of state and local taxes imposed and the amount or a method to calculate the amount of any such taxes paid directly by the customer or taxpayer. Disclosures in accordance with this subsection must be issued on an annual basis, if no rate change has occurred during the previous twelve months, or within thirty days of the effective date of any subsequent rate change. Disclosures may be issued electronically to a customer or taxpayer if that is the method the customer or taxpayer typically receives billing statements or other related information from the corporation. Publication of state and local tax rate information on a public web site is encouraged but does not, by itself, satisfy the requirements of this section.

(6) Any metropolitan municipal corporation collecting a tax on behalf of another political subdivision is authorized to collect reimbursement from that political subdivision for the cost of collection.

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

(1) By September 1, 2019, any public utility district serving ten thousand or more customers or taxpayers must disclose the rates of state and local taxes imposed on the district with respect to the billed services, if any. The district must also disclose the amount of any such taxes to be paid directly by the customer or taxpayer.

(2) A public utility district serving less than ten thousand but more than five thousand customers or taxpayers must disclose the state and local tax information required in subsection (1) of this section upon the next update to its billing system or by January 1, 2024, whichever is earlier.

(3) Public utility districts serving five thousand or less customers or taxpayers are encouraged, but not required, to provide the state and local tax information as described in subsection (1) of this section.

(4) If a public utility district does not issue billing statements for any of the services it provides, it must make the state and local tax information in this section for each such service available upon the request of any taxpayer within its service boundaries.

(5) The disclosure requirements of subsection (1) of this section may be satisfied by the following methods:

(a) As part of a regular billing statement issued to each customer or taxpayer; or

(b) In writing to each customer or taxpayer, either as a billing insert or in a newsletter, describing in as much specificity as reasonably possible, the rates of state and local taxes imposed and the amount or a method to calculate the amount of any such taxes paid directly by the customer or taxpayer. Disclosures in accordance with this subsection must be issued on an annual basis, if no rate change has occurred during the previous twelve months, or within thirty days of the effective date of any subsequent rate change. Disclosures may be issued electronically to a customer or taxpayer if that is the method the customer or taxpayer typically receives billing statements or other related information from the district. Publication of state and local tax rate information on a public web site is encouraged but does not, by itself, satisfy the requirements of this section.

(6) Any public utility district collecting a tax on behalf of another political subdivision is authorized to collect reimbursement from that political subdivision for the cost of collection.

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

(1) By September 1, 2019, any diking, drainage, and sewerage improvement district serving ten thousand or more customers or taxpayers must disclose the rates of state and local taxes imposed on the district with respect to the billed services, if any. The district must also disclose the amount of any such taxes to be paid directly by the customer or taxpayer.

(2) A diking, drainage, and sewerage improvement district serving less than ten thousand but more than five thousand customers or taxpayers must disclose the state and local tax information required in subsection (1) of this section upon the next update to its billing system or by January 1, 2024, whichever is earlier.

(3) Diking, drainage, and sewerage improvement districts serving five thousand or less customers or taxpayers are encouraged, but not required, to provide the state and local tax information as described in subsection (1) of this section.

(4) If a diking, drainage, and sewerage improvement district does not issue billing statements for any of the services it provides, it must make the state and local tax information in this section for each such service available upon the request of any taxpayer within its service boundaries.

(5) The disclosure requirements of subsection (1) of this section may be satisfied by the following methods:

(a) As part of a regular billing statement issued to each customer or taxpayer; or

(b) In writing to each customer or taxpayer, either as a billing insert or in a newsletter, describing in as much specificity as reasonably possible, the rates of state and local taxes imposed and the amount or a method to calculate the amount of any such taxes paid directly by the customer or taxpayer. Disclosures in accordance with this subsection must be issued on an annual basis, if no rate change has occurred during the previous twelve months, or within thirty days of the effective date of any subsequent rate change. Disclosures may be issued electronically to a customer or taxpayer if that is the method the customer or taxpayer typically receives billing statements or other related information from the district. Publication of state and local tax rate information on a public web site is encouraged but does not, by itself, satisfy the requirements of this section.

(6) Any diking, drainage, and sewerage improvement district collecting a tax on behalf of another political subdivision is authorized to collect reimbursement from that political subdivision for the cost of collection.

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

(1) By September 1, 2019, any solid waste collection district serving ten thousand or more customers or taxpayers must disclose the rates of state and local taxes imposed on the district with respect to the billed services, if any. The district must also disclose the amount of any such taxes to be paid directly by the customer or taxpayer.

(2) A solid waste collection district serving less than ten thousand but more than five thousand customers or taxpayers must disclose the state and local tax information required in subsection (1) of this section upon the next update to its billing system or by January 1, 2024, whichever is earlier.

(3) Solid waste collection districts serving five thousand or less customers or taxpayers are encouraged, but not required, to provide the state and local tax information as described in subsection (1) of this section.

(4) If a solid waste collection district does not issue billing statements for any of the services it provides, it must make the state and local tax information in this section for each such service available upon the request of any taxpayer within its service boundaries.

(5) The disclosure requirements of subsection (1) of this section may be satisfied by the following methods:

(a) As part of a regular billing statement issued to each customer or taxpayer; or

(b) In writing to each customer or taxpayer, either as a billing insert or in a newsletter, describing in as much specificity as reasonably possible, the rates of state and local taxes imposed and the amount or a method to calculate the amount of any such taxes paid directly by the customer or taxpayer. Disclosures in accordance with this subsection must be issued on an annual basis, if no rate change has occurred during the previous twelve months, or within thirty days of the effective date of any subsequent rate change. Disclosures may be issued electronically to a customer or taxpayer if that is the method the customer or taxpayer typically receives billing statements or other related information from the district. Publication of state and local tax rate information on a public web site is encouraged but does not, by itself, satisfy the requirements of this section.

(6) Any solid waste collection district collecting a tax on behalf of another political subdivision is authorized to collect reimbursement from that political subdivision for the cost of collection.

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

(1) By September 1, 2019, any solid waste disposal district serving ten thousand or more customers or taxpayers must disclose the rates of state and local taxes imposed on the district with respect to the billed services, if any. The district must also disclose the amount of any such taxes to be paid directly by the customer or taxpayer.

(2) A solid waste disposal district serving less than ten thousand but more than five thousand customers or taxpayers must disclose the state and local tax information required in subsection (1) of this section upon the next update to its billing system or by January 1, 2024, whichever is earlier.

(3) Solid waste disposal districts serving five thousand or less customers or taxpayers are encouraged, but not required, to provide the state and local tax information as described in subsection (1) of this section.

(4) If a solid waste disposal district does not issue billing statements for any of the services it provides, it must make the state and local tax information in this section for each such service available upon the request of any taxpayer within its service boundaries.

(5) The disclosure requirements of subsection (1) of this section may be satisfied by the following methods:

(a) As part of a regular billing statement issued to each customer or taxpayer; or

(b) In writing to each customer or taxpayer, either as a billing insert or in a newsletter, describing in as much specificity as reasonably possible, the rates of state and local taxes imposed and the amount or a method to calculate the amount of any such taxes paid directly by the customer or taxpayer. Disclosures in accordance with this subsection must be issued on an annual basis, if no rate change has occurred during the previous twelve months, or within thirty days of the effective date of any subsequent rate change. Disclosures may be issued electronically to a customer or taxpayer if that is the method the customer or taxpayer typically receives billing statements or other related information from the district. Publication of state and local tax rate information on a public web site is encouraged but does not, by itself, satisfy the requirements of this section.

(6) Any solid waste disposal district collecting a tax on behalf of another political subdivision is authorized to collect reimbursement from that political subdivision for the cost of collection.

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

(1) By September 1, 2019, any water-sewer district serving ten thousand or more customers or taxpayers must disclose the rates of state and local taxes imposed on the district with respect to the billed services, if any. The district must also disclose the amount of any such taxes to be paid directly by the customer or taxpayer.

(2) A water-sewer district serving less than ten thousand but more than five thousand customers or taxpayers must disclose the state and local tax information required in subsection (1) of this section upon the next update to its billing system or by January 1, 2024, whichever is earlier.

(3) Water-sewer districts serving five thousand or less customers or taxpayers are encouraged, but not required, to provide the state and local tax information as described in subsection (1) of this section.

(4) If a water-sewer district does not issue billing statements for any of the services it provides, it must make the state and local tax information in this section for each such service available upon the request of any taxpayer within its service boundaries.

(5) The disclosure requirements of subsection (1) of this section may be satisfied by the following methods:

(a) As part of a regular billing statement issued to each customer or taxpayer; or

(b) In writing to each customer or taxpayer, either as a billing insert or in a newsletter, describing in as much specificity as reasonably possible, the rates of state and local taxes imposed and the amount or a method to calculate the amount of any such taxes paid directly by the customer or taxpayer. Disclosures in accordance with this subsection must be issued on an annual basis, if no rate change has occurred during the previous twelve months, or within thirty days of the effective date of any subsequent rate change. Disclosures may be issued electronically to a customer or taxpayer if that is the method the customer or taxpayer typically receives billing statements or other related information from the district. Publication of state and local tax rate information on a public web site is encouraged but does not, by itself, satisfy the requirements of this section.

(6) Any water-sewer district collecting a tax on behalf of another political subdivision is authorized to collect reimbursement from that political subdivision for the cost of collection.

NEW SECTION. **Sec.**  A new section is added to chapter 35.92 RCW to read as follows:

(1) By September 1, 2019, any city or town operating as a municipal utility serving ten thousand or more customers or taxpayers must disclose the rates of state and local taxes imposed on the municipal utility with respect to the billed services, if any. The municipal utility must also disclose the amount of any such taxes to be paid directly by the customer or taxpayer.

(2) A city or town operating as a municipal utility serving less than ten thousand but more than five thousand customers or taxpayers must disclose the state and local tax information required in subsection (1) of this section upon the next update to its billing system or by January 1, 2024, whichever is earlier.

(3) A city or town operating as a municipal utility serving five thousand or less customers or taxpayers is encouraged, but not required, to provide the state and local tax information as described in subsection (1) of this section.

(4) If a city or town operating as a municipal utility does not issue billing statements for any of the services it provides, it must make the state and local tax information in this section for each such service available upon the request of any taxpayer within its service boundaries.

(5) The disclosure requirements of subsection (1) of this section may be satisfied by the following methods:

(a) As part of a regular billing statement issued to each customer or taxpayer; or

(b) In writing to each customer or taxpayer, either as a billing insert or in a newsletter, describing in as much specificity as reasonably possible, the rates of state and local taxes imposed and the amount or a method to calculate the amount of any such taxes paid directly by the customer or taxpayer. Disclosures in accordance with this subsection must be issued on an annual basis, if no rate change has occurred during the previous twelve months, or within thirty days of the effective date of any subsequent rate change. Disclosures may be issued electronically to a customer or taxpayer if that is the method the customer or taxpayer typically receives billing statements or other related information from the municipal utility. Publication of state and local tax rate information on a public web site is encouraged but does not, by itself, satisfy the requirements of this section.

(6) Any city or town operating as a municipal utility collecting a tax on behalf of another political subdivision is authorized to collect reimbursement from that political subdivision for the cost of collection.

**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;

(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."

NEW SECTION. **Sec.**  This act takes effect September 1, 2019.

**--- END ---**