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HOUSE BILL 2614

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State of Washington                      52nd Legislature                      1992 Regular Session

By Representatives Wang, Chandler, R. Fisher and Winsley

Read first time 01/22/92. Referred to Committee on Revenue.

1            AN ACT Relating to limits on local privilege taxes on municipally  
2 owned utilities; and amending RCW 35.21.870.

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

4            **Sec. 1.** RCW 35.21.870 and 1984 c 225 s 6 are each amended to read  
5 as follows:

6            (1) No city or town may impose a tax on the privilege of conducting  
7 an electrical energy, natural gas, steam energy, or telephone business  
8 at a rate which exceeds six percent unless the rate is first approved  
9 by a majority of the voters of the city or town voting on such a  
10 proposition. This limitation does not apply to taxes levied by a city  
11 on its municipally owned utilities.

12            (2) If a city or town is imposing a rate of tax under subsection  
13 (1) of this section in excess of six percent on April 20, 1982, the  
14 city or town shall decrease the rate to a rate of six percent or less

1 by reducing the rate each year on or before November 1st by ordinances  
2 to be effective on January 1st of the succeeding year, by an amount  
3 equal to one-tenth the difference between the tax rate on April 20,  
4 1982, and six percent.

5       Nothing in this subsection prohibits a city or town from reducing  
6 its rates by amounts greater than the amounts required in this  
7 subsection.

8       Voter approved rate increases under subsection (1) of this section  
9 shall not be included in the computations under this subsection.