

SENATE BILL REPORT

SB 6236

AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, FEBRUARY 3, 1994

Brief Description: Authorizing late fees and interest for delinquent payment of fees to the Utilities and Transportation Commission.

SPONSORS: Senators Sutherland and Hochstatter; by request of Utilities & Transportation Commission

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass.

Signed by Senators Sutherland, Chairman; Ludwig, Vice Chairman; Hochstatter, Owen, A. Smith, West and Williams.

Staff: Scott Huntley (786-7421)

Hearing Dates: January 26, 1994; February 3, 1994

BACKGROUND:

State law requires the Utilities and Transportation Commission to recover its operating costs by assessing fees on the companies it regulates. The fee is based on a percentage of the annual gross revenue of the company. The commission establishes the fee annually based on estimates of the revenue necessary to support the commission's appropriation level. Surpluses are carried over and reduce the amount of fees necessary in the following year.

The number of companies the commission regulates has steadily increased in recent years. In 1993, the Legislature changed the method used to assess fees for motor carriers. This change has dramatically increased the number of such companies billed for fees by the commission.

In recent years, the number of companies which have not paid the fees in a timely manner has also increased. In 1993, 262 companies missed the May 1 deadline. As of August 1 of last year, about 100 companies had still not paid the required fees. The commission expects the delinquency problem to increase with the addition of nearly 4,000 new fee-paying motor carriers.

Unlike other state agencies which bill companies, such as Employment Security and Labor and Industries, the commission does not have statutory authority to assess late penalties or collect interest on delinquent payments.

SUMMARY:

Payments of required fees to the commission which are made after the date due will include a late fee of 2 percent of the amount due. Delinquent fees will accrue interest at the rate of 1 percent per month.

Appropriation: none

Revenue: yes

Fiscal Note: requested January 20, 1994

TESTIMONY FOR:

This will give the commission the same authority that other state agencies have which charge fees for regulatory purposes. This will be a helpful tool in getting companies to pay the fees on time. There has been a growing problem of companies paying the fees late, and this will help encourage them to be more timely in payment.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Tim Sweeney, Vicki Elliot, Washington Utilities and Transportation Commission