

SENATE BILL REPORT

SHB 1211

As Reported by Senate Committee On:
Environment, Water & Energy, March 9, 2011

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

Brief Description: Concerning utility donations to hunger programs.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representatives Rivers, Blake, Takko, Kretz, Van De Wege, Lias, Klippert, Smith, Chandler, Nealey, Fitzgibbon, Warnick, Moeller, Harris and Condotta).

Brief History: Passed House: 2/22/11, 93-1.

Committee Activity: Environment, Water & Energy: 3/08/11, 3/09/11 [DPA, DNP].

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Majority Report: Do pass as amended.

Signed by Senators Rockefeller, Chair; Nelson, Vice Chair; Chase, Delvin, Fraser and Morton.

Minority Report: Do not pass.

Signed by Senator Honeyford, Ranking Minority Member.

Staff: Jan Odano (786-7486)

Background: Public Utility Districts and Municipal Utilities. Public utility districts (PUD) and municipal utilities are municipal corporations authorized by statutes. Usually, the powers of municipal corporations are limited to those powers that are expressly granted by statute or by the constitution; necessarily implied in or incident to powers expressly granted; and essential to the declared purposes and objects of the municipal corporation. PUDs and municipal utilities may collect donations to support low-income residents with their electricity bills and for the purposes of urban forestry. State law does not address whether a PUD or 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.

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.

Summary of Bill (Recommended Amendments): PUDs and municipal utilities may request voluntary donations from their customers to support hunger programs. Any donations for hunger programs must be used to support the maintenance and operation of those programs.

PUD and municipal utilities are not precluded from requesting voluntary donations to support other types of programs.

Donations received by a public utility district or municipal utility company are not considered gross income of a light and power business or gas distribution business for the purposes of calculating public utility taxes.

EFFECT OF CHANGES MADE BY ENVIRONMENT, WATER & ENERGY COMMITTEE (Recommended Amendments): Clarifies donations collected for hunger programs must be used to support those programs; and does not limit the use of donations to hunger programs in the community.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: None.

Persons Testifying: No one.