

HOUSE BILL REPORT

SHB 1068

As Passed Legislature

Title: An act relating to the television reception improvement district excise tax.

Brief Description: Concerning the television reception improvement district excise tax.

Sponsors: House Committee on Finance (originally sponsored by Representatives Manweller and Warnick).

Brief History:

Committee Activity:

Finance: 1/28/13, 2/15/13, 2/19/13, 2/22/13 [DPS].

Floor Activity:

Passed House: 3/8/13, 93-5.

Senate Amended.

Passed Senate: 4/15/13, 31-17.

House Concurred.

Passed House: 4/22/13, 94-1.

Passed Legislature.

Brief Summary of Substitute Bill

- Exempts subscribers of satellite television service from the excise tax imposed by a television reception improvement district (District).
- Allows employees of a District to assist a Count Treasurer in sending out tax notices to reduce treasurer costs for the District.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Condotta, Hansen, Lytton, Pollet, Reykdal, Springer, Vick and Wilcox.

Staff: Jeffrey Mitchell (786-7139).

Background:

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.

Legislation allowing for the creation of television reception improvement districts was enacted in 1971. State law authorizes television reception improvement districts (Districts) to be formed for the construction, maintenance, and operation of television and frequency modulation radio translator stations.

The business of a District is conducted by the board of a District. The board must ascertain and prepare a list on an annual basis of all persons believed to own television sets within the District and deliver a copy of the list to the county treasurer.

The county treasurer may collect an excise tax of no more than \$60 per year per television set. A person who owns more than one television set, but less than five television sets, may only be assessed for one television set. A motel, hotel, or any person owning more than five television sets must pay at a rate of one-fifth of the annual tax rate for each of the first five television sets and one-tenth of such rate for each additional television set. An owner of a television set within the District is exempt if: (1) the television set does not receive at least a class grade B contour signal retransmitted by the television translator station or other similar device operated by the district; or (2) the television set receives a subscription to services of a community antenna system.

The county treasurer in which the District is located is the treasurer for the District.

Currently, six Districts have been formed in four counties: Chelan, Douglas, Kittitas, and Okanogan.

Summary of Substitute Bill:

A television owner is exempt from the excise tax if the owner subscribes to satellite television service.

Employees of a district are allowed to assist the County Treasurer in sending out tax notices to reduce the cost for the district.

Appropriation: None.

Fiscal Note: Available.

Effective Date: 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 an example of the law needing to catch up with technology. These laws were written many decades ago. At the time, it seemed fair that people with cable would be exempt. Now, many years later, we have an unfair situation with respect to satellite service. Attorneys have indicated that a revision in law is required to be able to exempt televisions with satellite service. This bill is revenue neutral from the state's perspective. The bill respects local control.

(Opposed) None.

Persons Testifying: Representative Manweller, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.