

SENATE BILL REPORT

SHB 1068

As of March 27, 2013

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: Passed House: 3/08/13, 93-5.

Committee Activity: Governmental Operations: 3/21/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Sam Thompson (786-7413)

Background: Television reception improvement districts (districts) can be formed by county legislative authorities to construct and operate translator stations to improve television (TV) and FM radio reception. Since 1971, when they were authorized in state law, seven districts have been formed in Chelan, Clallam, Douglas, Kittitas, and Okanogan counties.

Districts are governed by a district board. If the district is countywide, the county legislative authority is the board. If a district is less than countywide, the board consists of three, five, seven, or nine persons appointed by the county legislative authority to serve staggered three-year terms. Districts finance operations by collecting an annual excise tax of no more than \$60 per TV in the district. The board annually prepares a list of persons believed to own TVs in the district and provides the list to the county treasurer, who collects the tax from TV owners. The county treasurer also serves as the district's treasurer.

Owners of five or fewer TVs may only be assessed for one TV. Owners of more than five TVs, including motels and hotels, are assessed at reduced rates per TV. An owner is exempt from paying the tax if their TV does not receive a strong signal from district facilities or the owner subscribes to a community cable TV service. However, to qualify for an exemption an owner must file a statement with the board claiming the owner's grounds for an exemption.

Summary of Bill: A district board may exempt a TV owner from paying the annual excise tax on TVs if the owner subscribes to satellite TV service.

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.

In lieu of the county treasurer, a district may, by resolution, designate another person having experience in financial or fiscal matters as district treasurer, who:

- will collect the annual excise tax on TVs;
- has all powers, responsibilities, and duties the county treasurer has related to investing surplus funds;
- must establish a special account into which district funds are deposited;
- can disburse district funds only on warrants issued on orders or vouchers approved by the board; and
- must report monthly to the board regarding the amount in the district account.

The district must require a surety bond to protect the district against loss. The district must pay the premium on the bond.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill seeks to create equity and fairness in the current tax system; satellite TV was not available when districts were authorized in 1971. Optional authority to designate a district treasurer enables districts to reduce tax-collection expenses.

OTHER: Unlike cable TV fees, satellite TV fees go out of the district, and are not invested locally. Taxes on remaining taxpayers may go up to maintain district facilities and operations. Documentation should be provided for an exemption.

Persons Testifying: PRO: Representative Manweller, prime sponsor.

OTHER: Joe Underhill, Kittitas County TV Reception Improvement District #1.