

SENATE BILL REPORT

SHB 2889

As of February 20, 2020

Title: An act relating to utility tax disclosures.

Brief Description: Concerning utility tax disclosures.

Sponsors: House Committee on Local Government (originally sponsored by Representative Griffey).

Brief History: Passed House: 2/18/20, 97-1.

Committee Activity: Local Government: 2/27/20.

Brief Summary of Bill

- Requires that any city or town that operates its own water, sewer or wastewater, or stormwater utility, and imposes a tax or fee on the operation of that utility, must disclose the tax or fee to its customers on its billing statements, a public website, or through other written or electronic communication made on an annual basis or within 30 days of the effective date of any rate change.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Staff: Bonnie Kim (786-7316)

Background: Cities and towns may operate municipal utilities, including utilities providing water, sewage, and stormwater services.

Cities and towns may impose license or excise taxes on business activities, including the provision of services by utilities. These taxes may be imposed by a city or town on the operation of its own utility.

Summary of Bill: Any city or town that operates its own water, sewer or wastewater, or stormwater utility, and imposes a tax or fee on the gross revenue of the utility, must disclose the tax or fee to its utility customers. This disclosure can occur on a regular billing statement—either electronic or paper; on the city or town's website, if written notice is provided to customers or taxpayers that this information is available; or through an insert, mailer, or other

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.

communication provided to customers or taxpayers either annually or within 30 days of any subsequent tax rate change.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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