
SUBSTITUTE SENATE BILL 5712

State of Washington

67th Legislature

2022 Regular Session

By Senate Housing & Local Government (originally sponsored by Senators Hasegawa and Nobles)

READ FIRST TIME 01/28/22.

1 AN ACT Relating to the transparency of local taxing districts;
2 amending RCW 35.92.460 and 19.29A.030; adding a new section to
3 chapter 35.58 RCW; adding a new section to chapter 54.04 RCW; adding
4 a new section to chapter 85.08 RCW; adding a new section to chapter
5 36.58A RCW; adding a new section to chapter 36.58 RCW; adding a new
6 section to chapter 57.02 RCW; and creating a new section.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** The legislature finds that all Washington
9 state residents are entitled to clear, transparent utility bills.
10 Many local jurisdictions impose utility taxes that utility providers
11 are required to collect. Residents deserve clear and transparent
12 bills, yet these utility taxes can be difficult or impossible to
13 discern on current utility billing statements. Considering the
14 rapidly escalating costs of housing, the legislature intends to
15 create transparency of utility bills for residents to better
16 understand this component of their housing costs.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.58
18 RCW to read as follows:

19 Any metropolitan municipal corporation must disclose the rates of
20 each tax it collects on behalf of another political subdivision, if

1 any. Metropolitan municipal corporations must also disclose the
2 method by which the tax rates are applied to the relevant service
3 charges billed to the customer or taxpayer. The disclosures required
4 by this section must occur through at least one of the following
5 methods:

6 (1) On regular billing statements provided electronically or in
7 written form;

8 (2) On the corporation's website, if the corporation provides
9 written notice to customers or taxpayers that such information is
10 available on its website; or

11 (3) Through a billing insert, mailer, or other written or
12 electronic communication provided to customers or taxpayers on either
13 an annual basis or within 30 days of the effective date of any
14 subsequent tax rate change.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 54.04
16 RCW to read as follows:

17 Any public utility district must disclose the rates of each tax
18 it collects on behalf of another political subdivision, if any.
19 Public utility districts must also disclose the method by which the
20 tax rates are applied to the relevant service charges billed to the
21 customer or taxpayer. The disclosures required by this section must
22 occur through at least one of the following methods:

23 (1) On regular billing statements provided electronically or in
24 written form;

25 (2) On the district's website, if the district provides written
26 notice to customers or taxpayers that such information is available
27 on its website; or

28 (3) Through a billing insert, mailer, or other written or
29 electronic communication provided to customers or taxpayers on either
30 an annual basis or within 30 days of the effective date of any
31 subsequent tax rate change.

32 NEW SECTION. **Sec. 4.** A new section is added to chapter 85.08
33 RCW to read as follows:

34 Any diking, drainage, and sewerage improvement district must
35 disclose the rates of each tax it collects on behalf of another
36 political subdivision, if any. Diking, drainage, and sewerage
37 improvement districts must also disclose the method by which the tax
38 rates are applied to the relevant service charges billed to the

1 customer or taxpayer. The disclosures required by this section must
2 occur through at least one of the following methods:

3 (1) On regular billing statements provided electronically or in
4 written form;

5 (2) On the district's website, if the district provides written
6 notice to customers or taxpayers that such information is available
7 on its website; or

8 (3) Through a billing insert, mailer, or other written or
9 electronic communication provided to customers or taxpayers on either
10 an annual basis or within 30 days of the effective date of any
11 subsequent tax rate change.

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.58A
13 RCW to read as follows:

14 Any solid waste collection district must disclose the rates of
15 each tax it collects on behalf of another political subdivision, if
16 any. Solid waste collection districts must also disclose the method
17 by which the tax rates are applied to the relevant service charges
18 billed to the customer or taxpayer. The disclosures required by this
19 section must occur through at least one of the following methods:

20 (1) On regular billing statements provided electronically or in
21 written form;

22 (2) On the district's website, if the district provides written
23 notice to customers or taxpayers that such information is available
24 on its website; or

25 (3) Through a billing insert, mailer, or other written or
26 electronic communication provided to customers or taxpayers on either
27 an annual basis or within 30 days of the effective date of any
28 subsequent tax rate change.

29 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.58
30 RCW to read as follows:

31 Any solid waste disposal district must disclose the rates of each
32 tax it collects on behalf of another political subdivision, if any.
33 Solid waste disposal districts must also disclose the method by which
34 the tax rates are applied to the relevant service charges billed to
35 the customer or taxpayer. The disclosures required by this section
36 must occur through at least one of the following methods:

37 (1) On regular billing statements provided electronically or in
38 written form;

1 (2) On the district's website, if the district provides written
2 notice to customers or taxpayers that such information is available
3 on its website; or

4 (3) Through a billing insert, mailer, or other written or
5 electronic communication provided to customers or taxpayers on either
6 an annual basis or within 30 days of the effective date of any
7 subsequent tax rate change.

8 NEW SECTION. **Sec. 7.** A new section is added to chapter 57.02
9 RCW to read as follows:

10 Any water-sewer district must disclose the rates of each tax it
11 collects on behalf of another political subdivision, if any. Water-
12 sewer districts must also disclose the method by which the tax rates
13 are applied to the relevant service charges billed to the customer or
14 taxpayer. The disclosures required by this section must occur through
15 at least one of the following methods:

16 (1) On regular billing statements provided electronically or in
17 written form;

18 (2) On the district's website, if the district provides written
19 notice to customers or taxpayers that such information is available
20 on its website; or

21 (3) Through a billing insert, mailer, or other written or
22 electronic communication provided to customers or taxpayers on either
23 an annual basis or within 30 days of the effective date of any
24 subsequent tax rate change.

25 **Sec. 8.** RCW 35.92.460 and 2020 c 135 s 1 are each amended to
26 read as follows:

27 (1) Any city or town (~~((that operates its own water, sewer or~~
28 ~~wastewater, or stormwater utility and imposes a fee or tax on the~~
29 ~~gross revenue of such a utility shall disclose the fee or tax rate to~~
30 ~~its utility customers. Such disclosure shall include statements, as~~
31 ~~applicable, that "the amount billed includes a fee or tax up~~
32 ~~to (dollar amount or percentage) calculated on the gross~~
33 ~~revenue of the water utility; a fee or tax up to (dollar~~
34 ~~amount or percentage) calculated on gross revenue of the sewer or~~
35 ~~wastewater utility; a fee or tax up to (dollar amount or~~
36 ~~percentage) calculated on the gross revenue of the stormwater~~
37 ~~utility.")) operating as a municipal utility must disclose the rates
38 of each tax it collects on the gross revenue of such a utility to its~~

1 utility customers. Municipal utilities must also disclose the method
2 by which the tax rates are applied to the relevant service charges
3 billed to the customer or taxpayer.

4 (2) The disclosures required by this section must occur through
5 at least one of the following methods:

6 (a) On regular billing statements provided electronically or in
7 written form;

8 (b) On the city or town's website, if the city or town provides
9 written notice to customers or taxpayers that such information is
10 available on its website; or

11 (c) Through a billing insert, mailer, or other written or
12 electronic communication provided to customers or taxpayers on either
13 an annual basis or within thirty days of the effective date of any
14 subsequent tax rate change.

15 (3) Any city or town operating as a municipal utility and
16 collecting taxes, fees, or other service charges on behalf of another
17 political subdivision must also comply with this section.

18 **Sec. 9.** RCW 19.29A.030 and 1998 c 300 s 4 are each amended to
19 read as follows:

20 Except as otherwise provided in RCW 19.29A.040, an electric
21 utility (~~shall~~) must:

22 (1) Provide notice to all of its retail electric customers that
23 the disclosures required in RCW 19.29A.020 are available without
24 charge upon request. Such notice (~~shall~~) must be provided at the
25 time service is established and either included as a prominent part
26 of each customer's bill or in a written notice mailed to each
27 customer at least once a year thereafter. Required disclosures
28 (~~shall~~) must be provided without charge, in writing using plain
29 language that is understandable to an ordinary customer, and
30 presented in a form that is clear and conspicuous(~~-~~);

31 (2) Provide written or electronic notice of public hearings where
32 changes in electricity rates will be considered or approved by the
33 commission or governing body, in a form and manner as may be required
34 by the commission or governing body;

35 (3) Disclose on each billing statement the rate of tax imposed
36 upon the electric utility under RCW 35.21.870, if any, and the amount
37 of such tax to be paid directly by the retail electric customer
38 through the billing statement; and

1 (4) Disclose the following information in a prominent manner on
2 all billing statements sent to retail electric customers, or by a
3 separate written notice mailed to all retail electric customers at
4 least quarterly and at the same time as a billing statement: "YOUR
5 BILL INCLUDES CHARGES FOR ELECTRICITY, DELIVERY SERVICES, GENERAL
6 ADMINISTRATION AND OVERHEAD, METERING, TAXES, CONSERVATION EXPENSES,
7 AND OTHER ITEMS.

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