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**SUBSTITUTE SENATE BILL 5024**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senate Local Government (originally sponsored by Senators Hasegawa and Fortunato)

1 AN ACT Relating to the transparency of local taxing districts;  
2 amending RCW 19.29A.030; adding a new section to chapter 35.58 RCW;  
3 adding a new section to chapter 54.04 RCW; adding a new section to  
4 chapter 85.08 RCW; adding a new section to chapter 36.58A RCW; adding  
5 a new section to chapter 36.58 RCW; adding a new section to chapter  
6 57.02 RCW; adding a new section to chapter 35.92 RCW; and providing  
7 an effective date.

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

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 35.58  
10 RCW to read as follows:

11 (1) By September 1, 2019, any metropolitan municipal corporation  
12 serving ten thousand or more customers or taxpayers must disclose the  
13 rates of state and local taxes imposed on the corporation with  
14 respect to the billed services, if any. The corporation must also  
15 disclose the amount of any such taxes to be paid directly by the  
16 customer or taxpayer.

17 (2) A metropolitan municipal corporation serving less than ten  
18 thousand but more than five thousand customers or taxpayers must  
19 disclose the state and local tax information required in subsection  
20 (1) of this section upon the next update to its billing system or by  
21 January 1, 2024, whichever is earlier.

1 (3) Metropolitan municipal corporations serving five thousand or  
2 less customers or taxpayers are encouraged, but not required, to  
3 provide the state and local tax information as described in  
4 subsection (1) of this section.

5 (4) If a metropolitan municipal corporation does not issue  
6 billing statements for any of the services it provides, it must make  
7 the state and local tax information in this section for each such  
8 service available upon the request of any taxpayer within its service  
9 boundaries.

10 (5) The disclosure requirements of subsection (1) of this section  
11 may be satisfied by the following methods:

12 (a) As part of a regular billing statement issued to each  
13 customer or taxpayer; or

14 (b) In writing to each customer or taxpayer, either as a billing  
15 insert or in a newsletter, describing in as much specificity as  
16 reasonably possible, the rates of state and local taxes imposed and  
17 the amount or a method to calculate the amount of any such taxes paid  
18 directly by the customer or taxpayer. Disclosures in accordance with  
19 this subsection must be issued on an annual basis, if no rate change  
20 has occurred during the previous twelve months, or within thirty days  
21 of the effective date of any subsequent rate change. Disclosures may  
22 be issued electronically to a customer or taxpayer if that is the  
23 method the customer or taxpayer typically receives billing statements  
24 or other related information from the corporation. Publication of  
25 state and local tax rate information on a public web site is  
26 encouraged but does not, by itself, satisfy the requirements of this  
27 section.

28 (6) Any metropolitan municipal corporation collecting a tax on  
29 behalf of another political subdivision is authorized to collect  
30 reimbursement from that political subdivision for the cost of  
31 collection.

32 NEW SECTION. **Sec. 2.** A new section is added to chapter 54.04  
33 RCW to read as follows:

34 (1) By September 1, 2019, any public utility district serving ten  
35 thousand or more customers or taxpayers must disclose the rates of  
36 state and local taxes imposed on the district with respect to the  
37 billed services, if any. The district must also disclose the amount  
38 of any such taxes to be paid directly by the customer or taxpayer.

1 (2) A public utility district serving less than ten thousand but  
2 more than five thousand customers or taxpayers must disclose the  
3 state and local tax information required in subsection (1) of this  
4 section upon the next update to its billing system or by January 1,  
5 2024, whichever is earlier.

6 (3) Public utility districts serving five thousand or less  
7 customers or taxpayers are encouraged, but not required, to provide  
8 the state and local tax information as described in subsection (1) of  
9 this section.

10 (4) If a public utility district does not issue billing  
11 statements for any of the services it provides, it must make the  
12 state and local tax information in this section for each such service  
13 available upon the request of any taxpayer within its service  
14 boundaries.

15 (5) The disclosure requirements of subsection (1) of this section  
16 may be satisfied by the following methods:

17 (a) As part of a regular billing statement issued to each  
18 customer or taxpayer; or

19 (b) In writing to each customer or taxpayer, either as a billing  
20 insert or in a newsletter, describing in as much specificity as  
21 reasonably possible, the rates of state and local taxes imposed and  
22 the amount or a method to calculate the amount of any such taxes paid  
23 directly by the customer or taxpayer. Disclosures in accordance with  
24 this subsection must be issued on an annual basis, if no rate change  
25 has occurred during the previous twelve months, or within thirty days  
26 of the effective date of any subsequent rate change. Disclosures may  
27 be issued electronically to a customer or taxpayer if that is the  
28 method the customer or taxpayer typically receives billing statements  
29 or other related information from the district. Publication of state  
30 and local tax rate information on a public web site is encouraged but  
31 does not, by itself, satisfy the requirements of this section.

32 (6) Any public utility district collecting a tax on behalf of  
33 another political subdivision is authorized to collect reimbursement  
34 from that political subdivision for the cost of collection.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 85.08  
36 RCW to read as follows:

37 (1) By September 1, 2019, any diking, drainage, and sewerage  
38 improvement district serving ten thousand or more customers or  
39 taxpayers must disclose the rates of state and local taxes imposed on

1 the district with respect to the billed services, if any. The  
2 district must also disclose the amount of any such taxes to be paid  
3 directly by the customer or taxpayer.

4 (2) A diking, drainage, and sewerage improvement district serving  
5 less than ten thousand but more than five thousand customers or  
6 taxpayers must disclose the state and local tax information required  
7 in subsection (1) of this section upon the next update to its billing  
8 system or by January 1, 2024, whichever is earlier.

9 (3) Diking, drainage, and sewerage improvement districts serving  
10 five thousand or less customers or taxpayers are encouraged, but not  
11 required, to provide the state and local tax information as described  
12 in subsection (1) of this section.

13 (4) If a diking, drainage, and sewerage improvement district does  
14 not issue billing statements for any of the services it provides, it  
15 must make the state and local tax information in this section for  
16 each such service available upon the request of any taxpayer within  
17 its service boundaries.

18 (5) The disclosure requirements of subsection (1) of this section  
19 may be satisfied by the following methods:

20 (a) As part of a regular billing statement issued to each  
21 customer or taxpayer; or

22 (b) In writing to each customer or taxpayer, either as a billing  
23 insert or in a newsletter, describing in as much specificity as  
24 reasonably possible, the rates of state and local taxes imposed and  
25 the amount or a method to calculate the amount of any such taxes paid  
26 directly by the customer or taxpayer. Disclosures in accordance with  
27 this subsection must be issued on an annual basis, if no rate change  
28 has occurred during the previous twelve months, or within thirty days  
29 of the effective date of any subsequent rate change. Disclosures may  
30 be issued electronically to a customer or taxpayer if that is the  
31 method the customer or taxpayer typically receives billing statements  
32 or other related information from the district. Publication of state  
33 and local tax rate information on a public web site is encouraged but  
34 does not, by itself, satisfy the requirements of this section.

35 (6) Any diking, drainage, and sewerage improvement district  
36 collecting a tax on behalf of another political subdivision is  
37 authorized to collect reimbursement from that political subdivision  
38 for the cost of collection.

1        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 36.58A  
2    RCW to read as follows:

3        (1) By September 1, 2019, any solid waste collection district  
4    serving ten thousand or more customers or taxpayers must disclose the  
5    rates of state and local taxes imposed on the district with respect  
6    to the billed services, if any. The district must also disclose the  
7    amount of any such taxes to be paid directly by the customer or  
8    taxpayer.

9        (2) A solid waste collection district serving less than ten  
10    thousand but more than five thousand customers or taxpayers must  
11    disclose the state and local tax information required in subsection  
12    (1) of this section upon the next update to its billing system or by  
13    January 1, 2024, whichever is earlier.

14        (3) Solid waste collection districts serving five thousand or  
15    less customers or taxpayers are encouraged, but not required, to  
16    provide the state and local tax information as described in  
17    subsection (1) of this section.

18        (4) If a solid waste collection district does not issue billing  
19    statements for any of the services it provides, it must make the  
20    state and local tax information in this section for each such service  
21    available upon the request of any taxpayer within its service  
22    boundaries.

23        (5) The disclosure requirements of subsection (1) of this section  
24    may be satisfied by the following methods:

25        (a) As part of a regular billing statement issued to each  
26    customer or taxpayer; or

27        (b) In writing to each customer or taxpayer, either as a billing  
28    insert or in a newsletter, describing in as much specificity as  
29    reasonably possible, the rates of state and local taxes imposed and  
30    the amount or a method to calculate the amount of any such taxes paid  
31    directly by the customer or taxpayer. Disclosures in accordance with  
32    this subsection must be issued on an annual basis, if no rate change  
33    has occurred during the previous twelve months, or within thirty days  
34    of the effective date of any subsequent rate change. Disclosures may  
35    be issued electronically to a customer or taxpayer if that is the  
36    method the customer or taxpayer typically receives billing statements  
37    or other related information from the district. Publication of state  
38    and local tax rate information on a public web site is encouraged but  
39    does not, by itself, satisfy the requirements of this section.

1 (6) Any solid waste collection district collecting a tax on  
2 behalf of another political subdivision is authorized to collect  
3 reimbursement from that political subdivision for the cost of  
4 collection.

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

7 (1) By September 1, 2019, any solid waste disposal district  
8 serving ten thousand or more customers or taxpayers must disclose the  
9 rates of state and local taxes imposed on the district with respect  
10 to the billed services, if any. The district must also disclose the  
11 amount of any such taxes to be paid directly by the customer or  
12 taxpayer.

13 (2) A solid waste disposal district serving less than ten  
14 thousand but more than five thousand customers or taxpayers must  
15 disclose the state and local tax information required in subsection  
16 (1) of this section upon the next update to its billing system or by  
17 January 1, 2024, whichever is earlier.

18 (3) Solid waste disposal districts serving five thousand or less  
19 customers or taxpayers are encouraged, but not required, to provide  
20 the state and local tax information as described in subsection (1) of  
21 this section.

22 (4) If a solid waste disposal district does not issue billing  
23 statements for any of the services it provides, it must make the  
24 state and local tax information in this section for each such service  
25 available upon the request of any taxpayer within its service  
26 boundaries.

27 (5) The disclosure requirements of subsection (1) of this section  
28 may be satisfied by the following methods:

29 (a) As part of a regular billing statement issued to each  
30 customer or taxpayer; or

31 (b) In writing to each customer or taxpayer, either as a billing  
32 insert or in a newsletter, describing in as much specificity as  
33 reasonably possible, the rates of state and local taxes imposed and  
34 the amount or a method to calculate the amount of any such taxes paid  
35 directly by the customer or taxpayer. Disclosures in accordance with  
36 this subsection must be issued on an annual basis, if no rate change  
37 has occurred during the previous twelve months, or within thirty days  
38 of the effective date of any subsequent rate change. Disclosures may  
39 be issued electronically to a customer or taxpayer if that is the

1 method the customer or taxpayer typically receives billing statements  
2 or other related information from the district. Publication of state  
3 and local tax rate information on a public web site is encouraged but  
4 does not, by itself, satisfy the requirements of this section.

5 (6) Any solid waste disposal district collecting a tax on behalf  
6 of another political subdivision is authorized to collect  
7 reimbursement from that political subdivision for the cost of  
8 collection.

9 NEW SECTION. **Sec. 6.** A new section is added to chapter 57.02  
10 RCW to read as follows:

11 (1) By September 1, 2019, any water-sewer district serving ten  
12 thousand or more customers or taxpayers must disclose the rates of  
13 state and local taxes imposed on the district with respect to the  
14 billed services, if any. The district must also disclose the amount  
15 of any such taxes to be paid directly by the customer or taxpayer.

16 (2) A water-sewer district serving less than ten thousand but  
17 more than five thousand customers or taxpayers must disclose the  
18 state and local tax information required in subsection (1) of this  
19 section upon the next update to its billing system or by January 1,  
20 2024, whichever is earlier.

21 (3) Water-sewer districts serving five thousand or less customers  
22 or taxpayers are encouraged, but not required, to provide the state  
23 and local tax information as described in subsection (1) of this  
24 section.

25 (4) If a water-sewer district does not issue billing statements  
26 for any of the services it provides, it must make the state and local  
27 tax information in this section for each such service available upon  
28 the request of any taxpayer within its service boundaries.

29 (5) The disclosure requirements of subsection (1) of this section  
30 may be satisfied by the following methods:

31 (a) As part of a regular billing statement issued to each  
32 customer or taxpayer; or

33 (b) In writing to each customer or taxpayer, either as a billing  
34 insert or in a newsletter, describing in as much specificity as  
35 reasonably possible, the rates of state and local taxes imposed and  
36 the amount or a method to calculate the amount of any such taxes paid  
37 directly by the customer or taxpayer. Disclosures in accordance with  
38 this subsection must be issued on an annual basis, if no rate change  
39 has occurred during the previous twelve months, or within thirty days

1 of the effective date of any subsequent rate change. Disclosures may  
2 be issued electronically to a customer or taxpayer if that is the  
3 method the customer or taxpayer typically receives billing statements  
4 or other related information from the district. Publication of state  
5 and local tax rate information on a public web site is encouraged but  
6 does not, by itself, satisfy the requirements of this section.

7 (6) Any water-sewer district collecting a tax on behalf of  
8 another political subdivision is authorized to collect reimbursement  
9 from that political subdivision for the cost of collection.

10 NEW SECTION. **Sec. 7.** A new section is added to chapter 35.92  
11 RCW to read as follows:

12 (1) By September 1, 2019, any city or town operating as a  
13 municipal utility serving ten thousand or more customers or taxpayers  
14 must disclose the rates of state and local taxes imposed on the  
15 municipal utility with respect to the billed services, if any. The  
16 municipal utility must also disclose the amount of any such taxes to  
17 be paid directly by the customer or taxpayer.

18 (2) A city or town operating as a municipal utility serving less  
19 than ten thousand but more than five thousand customers or taxpayers  
20 must disclose the state and local tax information required in  
21 subsection (1) of this section upon the next update to its billing  
22 system or by January 1, 2024, whichever is earlier.

23 (3) A city or town operating as a municipal utility serving five  
24 thousand or less customers or taxpayers is encouraged, but not  
25 required, to provide the state and local tax information as described  
26 in subsection (1) of this section.

27 (4) If a city or town operating as a municipal utility does not  
28 issue billing statements for any of the services it provides, it must  
29 make the state and local tax information in this section for each  
30 such service available upon the request of any taxpayer within its  
31 service boundaries.

32 (5) The disclosure requirements of subsection (1) of this section  
33 may be satisfied by the following methods:

34 (a) As part of a regular billing statement issued to each  
35 customer or taxpayer; or

36 (b) In writing to each customer or taxpayer, either as a billing  
37 insert or in a newsletter, describing in as much specificity as  
38 reasonably possible, the rates of state and local taxes imposed and  
39 the amount or a method to calculate the amount of any such taxes paid



1 directly by the customer or taxpayer. Disclosures in accordance with  
2 this subsection must be issued on an annual basis, if no rate change  
3 has occurred during the previous twelve months, or within thirty days  
4 of the effective date of any subsequent rate change. Disclosures may  
5 be issued electronically to a customer or taxpayer if that is the  
6 method the customer or taxpayer typically receives billing statements  
7 or other related information from the municipal utility. Publication  
8 of state and local tax rate information on a public web site is  
9 encouraged but does not, by itself, satisfy the requirements of this  
10 section.

11 (6) Any city or town operating as a municipal utility collecting  
12 a tax on behalf of another political subdivision is authorized to  
13 collect reimbursement from that political subdivision for the cost of  
14 collection.

15 **Sec. 8.** RCW 19.29A.030 and 1998 c 300 s 4 are each amended to  
16 read as follows:

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

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

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

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

36 (4) Disclose the following information in a prominent manner on  
37 all billing statements sent to retail electric customers, or by a  
38 separate written notice mailed to all retail electric customers at  
39 least quarterly and at the same time as a billing statement: "YOUR

1 BILL INCLUDES CHARGES FOR ELECTRICITY, DELIVERY SERVICES, GENERAL  
2 ADMINISTRATION AND OVERHEAD, METERING, TAXES, CONSERVATION EXPENSES,  
3 AND OTHER ITEMS."

4 NEW SECTION. **Sec. 9.** This act takes effect September 1, 2019.

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