

# FINAL BILL REPORT

## SHB 1211

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Synopsis as Enacted

**Brief Description:** Concerning utility donations to hunger programs.

**Sponsors:** House Committee on Technology, Energy & Communications (originally sponsored by Representatives Rivers, Blake, Takko, Kretz, Van De Wege, Liias, Klippert, Smith, Chandler, Nealey, Fitzgibbon, Warnick, Moeller, Harris and Condotta).

**House Committee on Ways & Means**  
**House Committee on Technology, Energy & Communications**  
**Senate Committee on Environment, Water & Energy**

### **Background:**

#### Hunger Programs.

There are a number of federal and state programs that provide emergency food for low-income and vulnerable individuals. For example, the Food Assistance Programs, sponsored by the Washington State Department of Agriculture, help people in Washington receive food through 450 food banks and meal programs across the state and through tribal voucher programs with 32 tribes.

#### Public Utility Districts and Municipal Utilities.

Public utility districts (PUDs) and municipal utilities are municipal corporations authorized by statute. Generally, the powers of municipal corporations are limited to those powers that are: (1) expressly granted by statute or by the Washington Constitution; (2) necessarily implied in or incident to powers expressly granted; or (3) essential to the declared purposes and objects of the municipal corporation.

State law does not address whether a PUD or a municipal utility may collect donations to support hunger programs.

#### Public Utility Tax.

The Public Utility Tax is a tax on public service businesses, including businesses that engage in transportation, communications, and the supply of electricity, natural gas, and water. The tax is paid on gross income derived from the operation of public and privately owned utilities in lieu of the business and occupation tax.

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*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.*

**Summary:**

Public utility districts (PUDs) and municipal utilities may request voluntary donations from their customers to support hunger programs. Any donations collected must be used to support the maintenance and operation of hunger programs. This authorization to collect donations to support hunger programs does not preclude a PUD or a municipal utility from requesting donations to support other types of programs.

Donations received by a PUD or a municipal utility are not considered gross income of a light and power business or gas distribution business for the purposes of calculating public utility taxes.

**Votes on Final Passage:**

House	93	1	
Senate	48	1	(Senate amended)
House	96	0	(House concurred)

**Effective:** July 22, 2011